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Rest in Peace to Aaron Swartz beloved friend of the internet, defender for freedom of speech and information, May your struggle not be in vain, the earth is 4.5 billion years, mankind has been around 160,000 yrs and the average span of an individual is just 70, but the idea of free universal knowledge can never die.

(Some will say this is not the time. I disagree. This is the time when every mixed emotion needs to find voice.)

Since his arrest in January, 2011, I have known more about the events that began this spiral than I have wanted to know. Aaron consulted me as a friend and lawyer. He shared with me what went down and why, and I worked with him to get help. When my obligations to Harvard created a conflict that made it impossible for me to continue as a lawyer, I continued as a friend. Not a good enough friend, no doubt, but nothing was going to draw that friendship into doubt.

The billions of snippets of sadness and bewilderment spinning across the Net confirm who this amazing boy was to all of us. But as I've read these aches, there's one strain I wish we could resist:

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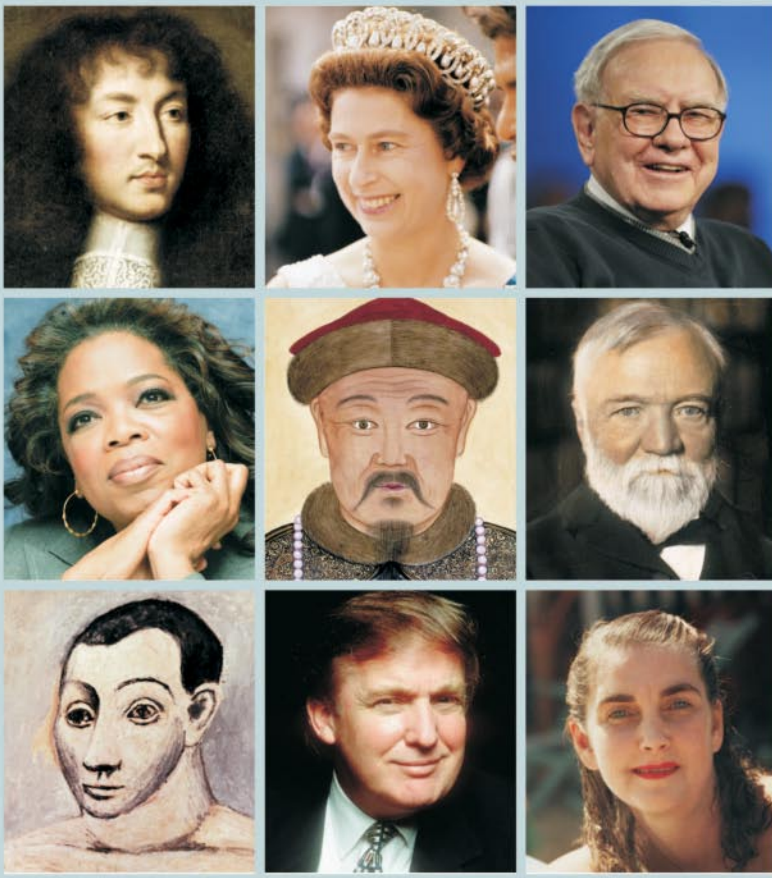
Great Lives from History

The Incredibly Wealthy



Great Lives from History

The Incredibly Wealthy

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The Incredibly Wealthy

Volume 1

Aaron of Lincoln – Bill Gates

Editor

Howard Bromberg

University of Michigan

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Contents

Publisher's Note

Great Lives from History: The Incredibly Wealthy (3 vols.) joins the *Great Lives* series, which provides in-depth critical essays on important men and women in all areas of achievement, from around the world and throughout history. The series was initiated in 2004 with *The Ancient World, Prehistory-476 C.E.* (2 vols.) and was followed in 2005 by *The Middle Ages, 477-1453* (2 vols.) and *The Renaissance, 1454-1600* (2 vols.); in 2006 by *The 17th Century, 1601-1700* (2 vols.) and *The 18th Century, 1701-1800* (2 vols.); in 2007 by *The 19th Century, 1801-1900* (4 vols.) and *Notorious Lives* (3 vols.); in 2008 by *The 20th Century* (10 vols.); and in 2010 by *Inventors & Inventions* (4 vols.). With this new installment, the entire series extends to 34 volumes, covering more than 5,300 lives.

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Scope of Coverage

Great Lives from History: The Incredibly Wealthy features 445 essays covering 446 people (including 43 women) from all time, worldwide. The vast majority of the individuals included in this set have never been covered in this series before, and all of them have never been covered from the perspective of how they generated and used their wealth, impacting society as a whole. Many of these individuals—major "players" but often persons behind the scenes—are not covered in other biographical reference works of this magnitude.

Each one of these essays has been specially written for this set. The subjects of these essays are wealthy people who earned their fortunes in a wide range of endeavors from ancient times into the twenty-first century—coverage that is essential in any liberal arts curriculum. The editor's criteria for including these individuals in this publication took into account the amount of their wealth; their historical significance; their representation from a wide range of countries and historical periods; the sources of their wealth from a vast range of endeavors; their relevance to class curricula; and their interest to high school, undergraduate, and general readers.

For purposes of this publication, the term "incredibly wealthy" is defined to include men and women who were or are among the wealthiest people at the time in which they lived. Many of these individuals were members of the wealthiest families of their times; profiles of numerous members of the Vanderbilt, Rothschild, and Rockefeller families, for example, are included here.

By category, the contents include persons whose sources of wealth fall into one or more of the following areas: acting (2), agricultural products (13), artwork (1), banking (65), church (4), computer industry (12), conquest (21), construction business (5), embezzlement (2), entertainment industry (9), financial services (9), gambling (1), golfing (1), government (37), horse breeding (5), inheritance (142), insurance (3), investments (97), law practice (3), liquor importation (1), lumber (2), manufacturing (68), marriage (17), media (27), metals refining (5), mining (22), moneylending (4), narcotics trafficking (4), oil (21), patents (21), privateering (4), product endorsements (1), railroads (26), ranching (2), real estate (135), retailing (14), sale of products (70), shipbuilding (1), shipping (14), slave trade (7), slaveholding (6), sports franchise (6), steel (10), telecommunications (4), telegraph (4), tourism (9), trade (85), transportation systems (8), tutoring (1), utilities (4), and writing (4).

The wealthy individuals covered in these volumes are also identified with one or more of the following countries or regions: Afghanistan (1), Argentina (1), Australia (3), Austria (4), Azerbaijan (1), Belgium (2), Bolivia (2), Brazil (4), Brunei (1), Cambodia (1), Canada (7), Chile (2), China (12), Colombia (1), Cuba (6), Cyprus (1), Czech Republic (1), Ecuador (1), Egypt (5), England (75), Ethiopia (1), France (22), Germany (19), Ghana (1), Greece (7), Hungary (3), India (14), Iran (5), Iraq (4), Ireland (6), Israel (1), Italy (23), Japan (9), Lithuania (1), Malaysia (1), Mali (2), Mauritania (1), Mexico (4), Mozambique (1), Netherlands (2), Nigeria (1), Northern Ireland (2), Peru (1), Philippines (1), Poland (2), Portugal (2), Russia (8), Saudi Arabia (3), Scotland (7), Senegal (1), South Africa (3), South Korea (1), Spain (10), Sri Lanka (1), Sweden (2), Switzerland (1), Thailand (3), Turkey (7), United Kingdom (81), United States (227), Wales (1), Yemen (1), and Zimbabwe (1).

ESSAY LENGTH AND FORMAT

Each essay is from 750 to 2,000 words in length (approximately 2 to 4 pages) and displays standard ready-reference top matter offering easy access to the following biographical information:

- The **name** of the individual, as best known.
- The individual's **nationality** and **occupation** (e.g., Japanese physicist).
- A **synopsis** highlighting the individual's historical importance in relation to his or her wealth and indicating why the person is studied today.
- ***Born*** and ***Died*** lines that list the most complete dates of birth and death available, followed by the most precise locations available, as well as an indication of when these data are unknown, only probable, or only approximate. Both contemporary and modern place names (where different) are listed; a question mark (?) is appended to a date or place if the information is considered likely to be the precise date or place but remains in question; a "c." denotes circa and indicates that historians have only enough information to place the date of birth or death near the year listed; and when a range of dates is provided for birth or death, historians are relatively certain that the birth or death year could not have occurred outside the date range.
- ***Also known as***, a listing of other versions of the individual's name, including full names, birth names, alternative spellings, pseudonyms, and nicknames.
- ***Sources of wealth***, a listing of the industries, occupations, business ventures, and other ways in which the subjects earned their fortunes, from acting through writing.
- ***Bequeathal of wealth***, a listing of how the subjects disseminated their wealth, including charitable endeavors, artistic patronage, or bequests to family members or other individuals.

The body of each essay, which also includes a byline for the contributing writer-scholar, is divided into the following four parts:

- ***Early Life*** provides facts about the individual's upbringing and the environment in which he or she was reared, as well as the pronunciation of his or her name (if unfamiliar to English speakers). This section describes the individual's early life, particularly as it laid the groundwork for his or her later wealth. Where little is known about the person's early life, historical context is provided.
- ***First Ventures*** describes the individual's early career, endeavors, enterprises, and other efforts and risks that led to success (and failures), or other circumstances of the subject's life that laid the groundwork for mature wealth.
- ***Mature Wealth***, the heart of the essay, consists of a straightforward, generally chronological, account of how the individuals earned their fortunes, emphasizing the most significant achievements in their lives and careers. This section emphasizes not only the creation of their wealth but also how the individuals managed (or mismanaged) their fortunes during their lifetimes.
- ***Legacy*** provides an overview of the long-range significance of the individual's wealth, emphasizing its impact on history, business, charity, architecture, culture, and other areas of endeavor. This section explains why it is important to study this individual.

The end matter of each essay includes the following resources:

- ***Further Reading***, a bibliography, is a starting point for further research.

- ***See also*** lists cross-references to essays in the set covering other individuals of interest.

SPECIAL FEATURES

Several features distinguish this set:

- ***Complete List of Contents***: This alphabetical list of contents appears in all three volumes.
- ***Key to Pronunciation***: A key to in-text pronunciation of unfamiliar names appears in all volumes. Pronunciation guidelines for difficult-to-pronounce names are provided in the first paragraph of the essay's "Early Life" section.
- **Sidebars**: A key feature of many of the essays in this publication is a sidebar on an aspect of the individual's wealth, the lives of wealthy people, or the specific businesses and endeavors in which some individuals generated and spent their fortunes. With topics such as charitable foundations, patronage of the arts, and "Great Wealth and Oil," these sidebars also present a thematic look at economic history.
- **Photographs**: 253 photographs illustrate the essays.

The back matter to Volume 3 includes several appendixes:

- ***More Wealthy Persons from History***, a directory of other wealthy people throughout history, with brief descriptions of their significance and the sources of their wealth
- ***Chronological List of Entries***, a listing of the 446 wealthy persons covered, arranged by birth year, useful as a "time line" of coverage
- ***Electronic Resources***, a guide to Web sites and electronic databases providing additional information about wealthy persons
- ***Bibliography***, a comprehensive listing of books about wealth in history, arranged by geographic locale, as well as some of the key industries and businesses (e.g., oil) that generate great wealth

Finally, Volume 3 ends with three useful indexes:

- **Category Index**: entries by area of achievement, from acting to writing.
- **Geographical Index**: entries by country or region.
- **Subject Index**: comprehensive index including personages, corporations, business ventures, philanthropic endeavors, fields of endeavor, concepts, technologies, terms, and other topics of discussion, with full cross-references for alternative spellings and to the category and geographical indexes.

USAGE NOTES

The worldwide scope of *Great Lives from History* resulted in the inclusion of names and words transliterated from languages that do not use the Roman alphabet. In some cases, there is more than one transliterated form in use. In many cases, transliterated words in this set follow the American Library Association and Library of Congress (ALA-LC) transliteration format for that language. However, if another form of a name or word has been judged to be more familiar to general readers, it is used instead. The variants for names of essay subjects are listed in ready-reference top matter and are cross-referenced in the subject and personages indexes. The Pinyin transliteration was used for Chinese topics, with Wade-Giles variants provided for major names. In a few cases, a common name that is not Pinyin has been used. Sanskrit and other South Asian names generally follow the ALA-LC transliteration rules, although again, the more familiar form of a word is used when deemed appropriate for general readers.

Titles of books and other literature appear, upon first mention in the essay, with their full publication and translation data as known: an indication of the first date of publication or appearance, followed by the English title in translation and its first date of appearance in English.

Throughout the set, readers will find a limited number of abbreviations used in both top matter and text, including "r." (reigned), "b." (born), "d." (died), and "fl." (flourished).

CONTRIBUTORS

Salem Press would like to extend its appreciation to all involved in the development and production of this work. The essays have been written and signed by scholars of history, humanities, the sciences, and other disciplines related to the essays' topics. Without these expert contributions, a project of this nature would not be possible. A full list of the contributors' names and affiliations appears in the front matter of this volume.

Special thanks go to Howard Bromberg, the set's editor, without whose guidance and creative vision this publication would not have been possible. Clinical Assistant

Professor of Law at the University of Michigan Law School, Dr. Bromberg developed the contents list and sidebar topics, as well as contributing significantly to this work. He has practiced law as Legislative Counsel to Congressman Thomas Petri of Wisconsin and as a prosecutor in the Appeals Bureau of the New York County District Attorney's Office; has taught at Chicago and Stanford Law Schools and at the Peking University School of Transnational Law; was Associate Professor and Assistant Dean of Clinical and Professional Skills Programs at Ave Maria Law School; and, as Associate Director at Harvard Law School, helped establish Harvard's First-Year Lawyering Program. Professor Bromberg serves on the Advisory Committee of the State of Michigan Moot Court Competition. In 2005-2006, he chaired that committee and was also Director of the annual competition. He has published more than 100 articles and essays in legal history and biography. His B.A and J.D. degrees are from Harvard Law School and his J.S.M. degree is from Stanford Law School.

Editor's Introduction

If history is made by great men and women, it is gilded by the incredibly wealthy. Riches give individuals the ability to influence human affairs, shape economies, provoke war, purchase peace, build monuments, dominate others, or relieve distress. Wealth can be used for either good or bad ends, but it is rare that great wealth passes through history without leaving a trace.

Great Lives from History: The Incredibly Wealthy chronicles the lives of men and women of great wealth. Every attempt has been made to include figures from various nations and historical periods. The essays represent a range of ways in which wealth was derived, used, and disseminated. The subjects of the essays were culled, and their lives were written, based on the widest range of sources—biographies, economic histories, general histories, and records of businesses and foundations. (Sources can be found in the bibliographies at the end of each essay and in the appendix.) The chief criterion for inclusion was not sheer wealth but the impact of that wealth upon history.

Varieties of Wealth

The varieties of wealth are manifold. In ancient times, wealth was possessed in chattel—livestock, produce, vineyards, and ornaments. With the growth of commerce, more liquid means of wealth were required in the form of gold coins, silver plate, jewels, jade, tapestries, ointments, and porcelains. Until modern times, holdings in land were the badge of riches. Sadly, wealth has also been marked by ownership of persons—slaves, indentured servants, and serfs. With the Industrial Revolution and the rise of market economies and capitalism, wealth has taken one dominant form: the accumulation of money, denominated in the various currencies of the world.

History—the written record of human activity—in a sense began with wealth, as the ancient Sumerians invented writing by chiseling their business accounts on clay tablets. The earliest business family represented in *Great Lives from History: The Incredibly Wealthy* are the Egibis, who built a trading empire in ancient Babylon. Other persons chronicled from the ancient world include Biblical figures, Greek legends, Roman actors and charioteers, Mesoamerican emperors, Chinese imperial bureaucrats, Muslim caliphs, and a slave who became the wealthiest banker of golden age Athens. Plunder was an accepted means of acquiring wealth in early societies. Conquerors who seized wealth are included in these volumes, as well as those who, often under the impulses of the nascent world religions, gave wealth away.

The medieval period saw the emergence of feudalism in Europe and elsewhere. Feudal lords—British peers (dukes, marquesses, earls, viscounts, and barons), Russian boyars, Mexican ranchers, Argentine hacienda *patróns*, Prussian Junkers, and the like—acquired vast holdings in land. With their property, these landed lords obtained equally valuable feudal incidents, rents, tithes, crops, and services, as well as peasants to work the land. The Middle Ages and the Renaissance were also a time of world wide exploration and commerce. Great wealth took new forms. Banking families in the Italian city-states funded English kings, Renaissance artists, and Spanish explorers. The Hanseatic League of merchants controlled the Baltic and North Sea trade. Merchant princes in the Mughal Empire traded diamonds, indigo, and textiles. The world craved sugar from plantations in Cyprus, Brazil, and Jamaica. Timbuktu merchants measured their wealth in the acquisition of Islamic manuscripts; the Mali Empire traded gold, salt, and slaves. In the Age of Exploration, European ships expanded the slave trade across the Atlantic and brought home vast quantities of silver from the mines of Potosi in Peru and Zacatecas and La Valenciana in Mexico. Much of this silver found its way to Asia in the Spanish galleon trade and the commercial armadas of the Dutch and English East India Companies. The European ships returned laden with exquisite fabrics, teak furniture, and costly spices. Cotton and opium from India were traded for silk from China. The Chinese Cohong merchants of Canton reaped fortunes from tea; the Chinese merchants of Yangzhou confined themselves to the domestic trade, but benefiting from a government monopoly in salt, they gained fortunes rivaling the Cohongs.

With the Industrial Revolution, the ranks of the wealthy became dominated by a new phenomenon: the modern businessman, whether industrialist, entrepreneur, merchandiser, or investor. The nineteenth century saw the greatest private fortunes in human history as new business organizations—corporations, trusts, and conglomerates—enabled capitalists to amass hitherto uncontemplated riches. The rising economic strength of the United States created great fortunes for Southern tobacco planters, Northwest fur traders, New York financiers, New England whalers, Midwest industrialists, Michigan cereal sellers, Pennsylvania steel and coal tycoons, Nevada silver mine owners, Chicago salesmen and retailers, Newport society matrons, Detroit automakers, St. Louis brewers, California canners, Florida real estate agents, Washington lumbermen, Texas oil barons and ranchers, operators of steamships in trans-Appalachian canals and the Atlantic and Pacific Oceans, and railroad entrepreneurs knitting the nation together with steel tracks.

By the turn of the twentieth century, industrial production had replaced land as the chief source of wealth in the world. Just as with cuisine, clothing, music, and other artifacts of civilization, wealth takes on the trappings of the culture which engendered it. Personal fortunes are alike in their economic capabilities and privileges; they are distinctive in their national character, correlating with the resources and mores of the community. The ranks of the incredibly wealthy were made up of Austrian bankers; German and Swedish industrialists; British generals; Cuban sugar magnates; South African Randlords; French vintners, cosmeticians, and designers; Greek shippers; Latin American tin, cocoa, and banana kings; Russian commodities "oligarchs"; Canadian distillers and media barons; Japanese *zaibatsu*; Iranian peddlers; Arabian sheiks; Swiss chocolatiers; Hong Kong property developers; Hollywood film producers; and Silicon Valley semiconductor, microprocessor, and computer manufacturers and software developers. Although restricted in ownership of property, women were the backbone of numerous familial fortunes. Minority populations faced huge obstacles to economic success, but *Great Lives from History: The Incredibly Wealthy* recounts successful African American, Hispanic, and Native American entrepreneurs from the United States; Lebanese businessmen in Latin America; Armenian traders in Asia; Jewish bankers in Europe; Coptic merchants in Egypt; Parsi industrialists in India; and other wealthy members of minority groups.

PRIVATE WEALTH

Great Lives from History: The Incredibly Wealthy is about private wealth. The people who are profiled claimed incredible riches as their own, riches that were privately possessed and freely alienable, secure, and unencumbered, without the prior claim of states or governments. The largest number of subjects are drawn from late nineteenth and early twentieth century Great Britain and the United States. This is not merely because this is an English-language book; rather, these two countries saw the greatest accumulation of wealth in private hands during this period. Earlier wealth was rarely produced without the backing of the sovereign. Even in England, wealth was produced at the behest of the monarch or as the fruit of aristocratic titles and privileges. At the disfavor of the king or queen, a British duke could be attainted, his fortune confiscated. In the United States, wealth was separated from direct state control. Titles of aristocracy were forbidden; bills of attainder were expressly prohibited. The U.S. Constitution enshrined freedom of contract, limited taxation, liberty of work, and the right to property. For the first time in history, an elite class arose with no connection to royalty or aristocracy but only to the raw mechanics of enterprise and industry. If subsidies and illicit favors were squeezed from the legislature by American monopolists of the Gilded Age, that fact was disguised, not brandished.

Obviously royalty possessed enormous wealth. The Pharaohs could command the workforce of Egypt to build their monuments and pyramids. When William the Conqueror claimed the English throne in 1066, he also claimed ownership to the land of all England and promulgated the *Domesday Book* to enforce his claim. However in the truest sense, the wealth of the sovereign belonged to the state, not the ruler. The monarch was endowed with power; his or her wealth was a mere by-product of that power. If deposed, the monarch's wealth was transferred to the succeeding ruler. In Rome, the emperor passed his personal treasury, the *fiscus*, to the next emperor, not to his heirs. The resplendent crown jewels of England and Persia were passed from dynasty to dynasty, the individual property of no person. Indeed, the sovereign was usually expected to provide for state expenses out of his or her own pocket, and the seemingly richest monarchs, such as Philip II of Spain, Henry VIII of England, and Charles V of the Holy Roman Empire, were perennially in debt, due to the expenses of the state that they bore. The few royals included in *Great Lives from History: The Incredibly Wealthy* used their wealth to build great monuments, such as Angkor Wat temple, the Süleymaniye mosque, the Taj Mahal, and the Palace of Versailles. This book also includes modern constitutional monarchs, who, with the disappearance of their power, have acquired full possession over their estates.

Until the era of the modern nation-state, members of the nobility were minor royalty, ruling over cities, fiefdoms, and principalities. Again, their wealth pertained more to their offices and ranks than to themselves. The aristocrats included in *Great Lives from History: The Incredibly Wealthy* tend to more recent vintage, as the princely classes have likewise lost their jurisdiction of power but gained personal riches.

The requirement that wealth be private, unencumbered, and secure has led to the exclusion of the most infamous outlaws, regardless of the extent of their transient wealth. Criminals such as Pablo Escobar and Charles Ponzi are included because of their unique places in social history.

Finally, the emphasis on private wealth excludes the so-called kleptocrats—heads of state who helped themselves to great riches from their nations' treasuries. Nicolae Ceauşescu of Romania, Mobutu Sese Seko of Zaire (Democratic Republic of the Congo), the Duvaliers of Haiti, Ferdinand Marcos of the Philippines, Suharto of Indonesia, Sani Abacha of Nigeria, Bakili Muluzi of Malawi, Jean-Bédel Bokassa of the Central African Republic, Kim Jong Il of North Korea, and Slobodan Milošević of Serbia are alleged to have secreted billions of dollars for their own pleasures. If so, the extent of their gains will have to be explored in other venues.

Sidebars: Foundations of Wealth

The lives of the incredibly wealthy are a microcosm of the world's economic activity. The lengthier essays in *Great Lives from History: The Incredibly Wealthy* include a sidebar that is meant to illustrate an aspect of the subject's fortune that transcends his or her lifespan and makes a permanent impact on world history. These sidebars treat businesses, castles, palaces, cathedrals, skyscrapers, schools, colleges and universities, hospitals, museums, libraries, gardens, and mansions.

Two special uses of the word "foundation" are worth noting in the sidebars. First are the treatments of the foundations, or the derivations, of great wealth in the world economy. These sidebars treat such topics as the intersection of wealth with religion, gold, oil, salt, railroads, conglomerates, art, literature, publishing, sport, slavery, cuisine, and automobiles, among other subjects.

The second use of the word "foundation" in the sidebars is literal—the philanthropic foundations that are the mainstay of modern fortunes. In the twentieth century there was hardly a multimillionaire who did not endow a nonprofit foundation for philanthropic purposes. These foundations were created for a variety of reasons, some of which were certainly noble, but they were also established to generate good will, arrange familial affairs, and achieve favorable legal and tax statuses. The Ford, Rockefeller, and Carnegie Foundations were probably the most influential over the course of the century. Among the largest and most significant of the thousands of other foundations are the Stichting INGKA Foundation, Li Ka Shing Foundation, Bill and Melinda Gates Foundation, Robert Wood Johnson Foundation, W. K. Kellogg Foundation, the Kamehameha Schools supported by the Bernice Pauahi Bishop Estate, Muḥammad bin Rāshid Āl Maktūm Foundation, David and Lucile Packard Foundation, William and Flora Hewlett Foundation, and Annenberg Foundation.

More Wealthy People from History

In the back matter of Volume 3, *Great Lives from History: The Incredibly Wealthy* includes a directory of about two hundred additional wealthy people from history, with brief descriptions of their significance. These persons, also of historical importance, are included in abbreviated fashion for various reasons. For some, the record of their lives is sparse. Unlike talent or achievement, wealth is easily passed on to the next generation, even if dispersed; this section includes family members whose combined wealth propels them into the ranks of the incredibly wealthy. Finally, this section completes the list of contemporary persons whose fortune exceeds $10 billion; their long-term significance, however, remains to be determined.

Comparing Wealth

Calculating and comparing the extent of wealth are important features of *Great Lives from History: The Incredibly Wealthy*, both as a tool of selection and as a mainstay of the essays. However, it must be remembered that comparative wealth is incapable of exact measurement. In ancient times, wealth consisted largely of land and livestock and could not be quantified. Even when wealth took the form of money, obstacles to calculation remain. For one, the changing value of money over the centuries makes comparison difficult. Likewise, historical epochs differ in their rates of taxation, costs of labor and goods, and interest rates, all of which complicate comparisons. In addition, any transnational comparison will be complicated by the varying exchange rates of the world's currencies.

Nevertheless, a rough estimate of wealth, even from the most primitive times, is possible and employed in most of the essays. The most valuable tools for gleaning wealth are probate records, but information can also be found in memoirs, travelogues, tax records, court assessments, wills, and other records. To correlate historic wealth in modern terms, economic historians use various methods, such as the change in the consumer price index, comparative percentages of gross national product, gross domestic product per capita, and comparative daily wages of workers. Although these methods yield different results, all allow for an approximation of historic wealth in modern dollars. Due to the perennial effects of inflation, nominal wealth (the actual dollar value of a person's fortune at the time) must be converted to real wealth (a person's comparative fortune in modern dollars). Using the U.S. dollar as an example, nominal wealth of $500,000 in 1800 may be roughly akin to $3 million in 1850, $18 million in 1900, $125 million in 1950, and $6.5 billion in 2000. In other words, John D. Rockefeller, whose nominal wealth was estimated as high as $1.4 billion in an age of low taxation and inexpensive labor, must be counted as richer than Bill Gates, whose fortune was estimated at $53 billion in 2010.

Differences in the rates of exchange between countries must also be accounted. To give a useful example from Europe, the economic historian Niall Ferguson has estimated the exchange rate of the British pound in the middle of the nineteenth century to be at about 25 francs (whether French, Belgian, or Swiss), 500 Spanish reals, 6 Russian rubles, 6 Neapolitan ducats, and 7 Prussian thalers. (In 1850, 1 British pound was worth about 5 U.S. dollars.) Ferguson estimates the exchange rate in 1913 of 1 British pound to be about 20 German marks, 25 French francs, 25 Italian lire, 24 Austrian crowns, 9.5 Russian rubles, and 5 U.S. dollars. In 1950, the exchange rate for 1 U.S. dollar was about one-third of a British pound, 4 German Deutsche marks, 360 Japanese yen, and about 5 Indian rupees.

With these tools in hand, several historians have ranked Marcus Licinius Crassus as the richest person of the classical world. Alanus Rufus has been ranked as the richest person of medieval England, with his real wealth approximated at £82 billion or $122 billion in modern money. By most accounts John D. Rockefeller possessed the greatest real fortune in history, with his nominal wealth of $1.4 billion in the early twentieth century estimated to be worth as much as $200 billion in modern dollars.

In 2000, *The Wall Street Journal* published a time line of the fifty richest people of the second millennium (http://interactive.wsj.com/public/resources/documents/mill-1-timeline.htm). Cynthia Crossen, the newspaper's senior editor, selected the ten most distinctive and representative people from this list in *The Rich and How They Got That Way: How the Wealthiest People of All Times from Genghis Khan to Bill Gates Made Their Fortunes* (2000). In addition to Gates, Crossen included Mansa Mūsā, Maḥmūd of Ghazna, Genghis Khan, Pope Alexander VI, Jakob Fugger, John Law, Sir Richard Arkwright, Wu Bingjian, and Hetty Green.

Comparisons of modern wealth have been made more accessible by the American business magazines *Fortune* and *Forbes*, which consistently calculate and publish lists of the wealthiest people in the United States and the world. (Since 1989, *The Sunday Times* has published an annual list of the one thousand richest people in the United Kingdom.) These lists are compiled carefully by expert staffs and are reliable. In addition, the annual *Forbes* list of the world's richest people is measured in terms of U.S. dollars. *Forbes* first published a list of the thirty wealthiest Americans on March 2, 1918. John D. Rockefeller topped this list, with a fortune of $1.2 billion, followed by Henry Clay Frick ($225 million), Andrew Carnegie ($200 million), George F. Baker ($150 million), William Rockefeller ($150 million), and Edward Harkness ($125 million). *Fortune* published a list of the seventy-six wealthiest Americans in November, 1957. J. Paul Getty topped this list, with a fortune in the range of $700 million to $1 billion. In the second highest range of $400 million to $700 million were John D. Rockefeller, Jr., H. L. Hunt, Arthur Vining Davis, and four members of the Mellon family.

Forbes began publishing its annual list of the world's wealthiest people in 1996. That year, Bill Gates topped the list with $18.5 billion, followed by Warren Buffet with $15 billion. In the *Forbes* list published on March 9, 2010, Gates's wealth had grown to $53 billion and Buffet's to $47 billion, well illustrating the time value of money. Nevertheless, Gates and Buffet had been displaced as the world's wealthiest persons by Mexican businessman Carlos Slim, with a fortune of $53.5 billion. Occupying positions four through six in 2010 were Mukesh Ambani ($29 billion), Lakshmi Mittal ($28.7 billion), and Larry Ellison ($28 billion).

The Incredibly Wealthy

The incredibly wealthy have been viewed with admiration and disdain. The largest private fortunes were probably those compiled by American industrialists of the last half of the nineteenth century, such men as John D. Rockefeller, Andrew Carnegie, Cornelius Vanderbilt, Frederick Weyerhaeuser, and J. P. Morgan. The muckraking journalists called these men "robber barons," while their apologists called them "captains of industry." Their dominance and innovations in the oil, steel, coal, lumber, railroad, and banking businesses accelerated the American standard of living. However, they were also accused of brutal exploitation of workers and consumers.

Carnegie pleaded with his peers to be generous with their fortunes, and he founded the Carnegie Foundation, the Carnegie Endowment for World Peace, Carnegie Hall in New York City, the Carnegie Institution in Washington, D.C., and Carnegie museums and libraries throughout the nation. Carnegie, however, also received blame for the violent suppression of the Homestead Strike of 1892. Were these industrialists primarily plutocrats, absorbing an unfair portion of the nation's wealth, or were they philanthropists, both in the goods they produced and the foundations they endowed?

In the end, it seems that the wealthy, like others, faced individual choices about the accumulation of their wealth and its uses for ignoble ends or for the betterment of humankind. Thus, there may be no better way to assess the role of the incredibly wealthy in human affairs than by reading a collective biography of their lives, one gilded life at a time.

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Key to Pronunciation

Many of the names of personages covered in *Great Lives from History: The Incredibly Wealthy* may be unfamiliar to students and general readers. For these unfamiliar names, guides to pronunciation have been provided upon first mention of the names in the text. These guidelines do not purport to achieve the subtleties of the languages in question but will offer readers a rough equivalent of how English speakers may approximate the proper pronunciation.

Vowel Sounds

Symbol	Spelled (Pronounced)
a	answer (AN-suhr), laugh (laf), sample (SAM-puhl), that (that)
ah	father (FAH-thur), hospital (HAHS-pih-tuhl)
aw	awful (AW-fuhl), caught (kawt)
ay	blaze (blayz), fade (fayd), waiter (WAYT-ur), weigh (way)
eh	bed (behd), head (hehd), said (sehd)
ee	believe (bee-LEEV), cedar (SEE-dur), leader (LEED-ur), liter (LEE-tur)
ew	boot (bewt), lose (lewz)
i	buy (bi), height (hit), lie (li), surprise (sur-PRIZ)
ih	bitter (BIH-tur), pill (pihl)
o	cotton (KO-tuhn), hot (hot)
oh	below (bee-LOH), coat (koht), note (noht), wholesome (HOHL-suhm)
oo	good (good), look (look)
ow	couch (kowch), how (how)
oy	boy (boy), coin (koyn)
uh	about (uh-BOWT), butter (BUH-tuhr), enough (ee-NUHF), other (UH-thur)

Consonant Sounds

Symbol	Spelled (Pronounced)
ch	beach (beech), chimp (chihmp)
g	beg (behg), disguise (dihs-GIZ), get (geht)
j	digit (DIH-juht), edge (ehj), jet (jeht)
k	cat (kat), kitten (KIH-tuhn), hex (hehks)
s	cellar (SEHL-ur), save (sayv), scent (sehnt)
sh	champagne (sham-PAYN), issue (IH-shew), shop (shop)
ur	birth (burth), disturb (dihs-TURB), earth (urth), letter (LEH-tur)
y	useful (YEWS-fuhl), young (yuhng)
z	business (BIHZ-nehs), zest (zehst)
zh	vision (VIH-zhuhn)

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Great Lives from History

The Incredibly Wealthy

Aaron of Lincoln

English banker and financier

Aaron of Lincoln founded an international network of finance that allowed him to lend money and collect returns efficiently. His financial dealings contributed to the building and maintaining of major Cistercian monasteries and other Christian foundations, including the Cathedral and Abbey Church of St. Alban's and Lincoln Minster.

Born: c. 1125; probably Lincoln, England
Died: 1186; probably Lincoln, England
Sources of wealth: Banking; moneylending
Bequeathal of wealth: Government

Early Life

Virtually nothing is known of the early years of Aaron of Lincoln. Since there was little documentation of births in the twelfth century, his age can be surmised only by estimate and his place of birth or dwelling from the designation at the end of his name.

First Ventures

Aaron of Lincoln first appears in approximately 1166 C.E., when documentary evidence mentions his name in regard to money being paid to him by King Henry II through a transaction with the sheriff of Lincoln, almost certainly as the result of a loan. Most scholars believe that Aaron was well under way with his business ventures by this time, loaning money at interest to various individuals and entities. The source of his wealth at this point in his career is uncertain. Materials providing information for his biography are mostly business records, and few, if any, personal records remain.

Mature Wealth

The twelfth century saw the organization of the Jewish community throughout England in a vast structure mobilized to offer credit and collect on indebtedness with great efficiency. Although it is unknown whether this was the invention of Aaron of Lincoln or another great financier, Isaac, fil Joce, Aaron certainly developed this network to its fullest and most efficient extent. Laws forbidding Christians to loan money at interest were at the heart of this opportunity, and due to legal and religious restrictions on professions among the Jews, providing capital for Christian ventures of various types offered an opportunity for Aaron to create great wealth.

Aaron's investments included not only money for capital projects, such as abbeys and cathedrals, but also investments in farming operations and loans to small lenders. The interest rates that he and other lenders of the period charged were often very high, as much as 60 percent, but he is also known to have loaned a small amount to a female debtor named Truue at no interest at all. His business interests were comprehensive and successful.

Although he used a network of assistants, he was not in partnership with other Jewish lenders of the period, as the king generally forbade such partnerships. According to law, the estates of Jewish moneylenders reverted to the Crown upon their deaths. Partnership would have delayed the acquisition of their wealth by the Crown, although often, in practice, the monarch took only a percentage of the estate, allowing heirs to continue the business of lending, which profited the state greatly, given the various fees and taxes on the business's activities.

At Aaron's death in 1186, his total wealth was so great that the king chose to take the whole of his property, including Aaron's own treasury and material wealth at his house, as well as administration of his loans to others. Because of the extent of this wealth, a special government branch, the exchequer of Aaron, was set up to administer the loans. Concluding this business would take at least twenty years. The actual treasure of Aaron was shipped to France by King Henry and was lost when the ship sank in the English Channel. Aaron's wealth has been approximated at 2.5 percent of the national income of the period, the equivalent of almost £28 billion in 2010.

Legacy

Aaron's acquisition of wealth demonstrates that a financier could employ a network of agents spread over a large area to conduct almost limitless financial activities effectively and efficiently, without having to attend to every transaction personally. The immense structure that Aaron created to carry on his financial activities, the most successful early example of this type, makes him worthy of study and remembrance.

—*Susan Jones*

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See also: Eleanor of Aquitaine; Godric of Finchale.

ʿAbbās the Great

Persian monarch and military leader

Under Shah ʿAbbās the Great, Ṣafavid Persia reached its height of political unity, economic prosperity, and cultural advancement. A homogenous state was created, with the Shīʿite faction of Islam as the official religion and Farsi as the national language. ʿAbbās's new capital, Isfahan, became one of the world's most beautiful cities.

Born: January 27, 1571; Persia (now Iran)
Died: January 19, 1629; Ashraf, Mazandaran, Persia (now in Iran)
Also known as: Shah ʿAbbās I; Shah ʿAbbās the Great; ʿAbbās I of Persia
Sources of wealth: Conquest; trade
Bequeathal of wealth: Children; artistic patronage

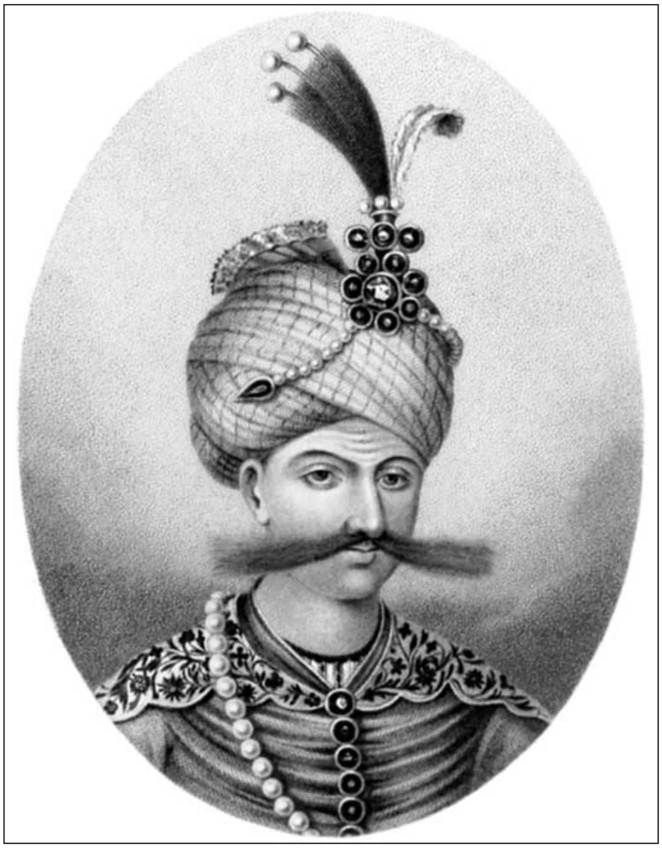
Early Life

ʿAbbās (AH-bas) the Great was born into a royal Persian family surrounded by palace intrigues. At age five, his life nearly ended when his uncle, Shah Ismāʿīl II (r. 1576-1577), ordered the execution of ʿAbbās and all of his brothers. Ismāʿīl's own untimely death prevented the murders. At the age of sixteen, ʿAbbās gained support from several leading nobles to seize the throne from his inept and nearly blind father, Shah Muḥammad Khudabanda (r. 1578-1587).

First Ventures

To unify a disintegrating Ṣafavid empire, ʿAbbās moved to quash the rebellious Turkmen and Uzbek people. By 1598, after ten years of costly military campaigns, Persia's eastern borders were secured. It was now time to confront the Ṣafavids' major adversary, the Ottoman Turks.

To prepare to fight the Turks, ʿAbbās created the *ghulam* system. *Ghulams* were personal slaves of the shah who would be trained either to be administrators, if they were bright, or to be professional soldiers of a new, standing army. Most of the *ghulams* were non-Persians and came from the Armenian, Circassian, and Georgian populations that had come under Ṣafavid rule. They were converted to Shīʿite Islam and were totally immune from Persian tribal politics. Other foreigners helped Persia forge an army capable of battling the Turks and helped construct the administrative apparatus needed to govern a re-created Persia more efficiently.



ʿAbbās the Great. (Hulton Archive/Getty Images)

Mature Wealth

In preparation for war, in 1598 ʿAbbās moved the capital from Qazwin to the more defensible central Persian city of Isfahan. From Isfahan, ʿAbbās had more central communication links with the entire country and with trading outlets on the Persian Gulf. ʿAbbās invested heavily in Isfahan, making it one of the most beautiful cities in the world. The magnificence of his capital and court and the lavish patronage given to philosophers, scientists, and artists were intended to symbolize the dawning of a new, glorious age for the Ṣafavids. A new central government administration, which ran relatively smoothly, was also constructed in Isfahan. New provinces were created and put under the administration of royal governors, many of whom were *ghulams*. All was designed to concentrate power into ʿAbbās's hands. National unity was further attempted by completing forced conversion to Shīʿism and by establishing Farsi as the national language.

The war against Turkey began in 1603, and an initial success was the retaking of Tabriz, given to the Ottomans by ʿAbbās at the start of his reign. In 1605, a major victory was achieved at Bossora, and ʿAbbās gained control of Shivran and Kurdistan. Finally in 1623, after a yearlong siege, Baghdad was seized from Ottoman rule. The holy Shīʿite cities of Karbala and Najaf also came under Ṣafavid control. Not resting on his accomplishments, ʿAbbās was able to obtain naval aid from the British East India Company, and he used this assistance in 1622 to end Portuguese control of the strategically located island of Hormuz. Thus, ʿAbbās became master of the Persian Gulf.

Legacy

Control of Hormuz produced close economic ties with Great Britain and the Netherlands, and a lucrative trade was created of Persian silks for English cloth. The sale of silk was made a royal monopoly. Under ʿAbbās, carpet weaving also became a major industry. It soon became fashionable for wealthy European homes to have fine Persian rugs. Porcelain, detailed metalwork, and miniatures also became manufactures in demand. To stimulate economic activity, ʿAbbās invested in building highways, bridges. and even merchant lodges along trading routes. He granted immunities and special privileges to attract European merchants. He also ordered many Armenian merchants to settle in Isfahan in order to help build up the silk trade with India. ʿAbbās's economic policies integrated Persia into world trade and led to a general period of prosperity.

—Irwin Halfond

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See also: Aga Khan I; Yaḥyā ibn Khālid al-Barmakī; Hārūn al-Rashīd; Marduk-nāsir-apli.

Sheldon Adelson

American investor, property developer, and hotel and casino owner

Adelson managed to accumulate one of the largest American fortunes of the early twenty-first century through shrewd investing and vision. He gave much of his wealth to further Jewish education in the Las Vegas area and to advance medical research. He also supported Republican political causes and worked to extend the influence of Israel in the United States and the Middle East.

Born: August 1 or 4, 1933; Boston, Massachusetts
Also known as: Sheldon Gary Adelson
Sources of wealth: Real estate; tourism; investments
Bequeathal of wealth: Educational institution; political organization

Early Life

Sheldon Gary Adelson (A-dehl-suhn) is the son of Jewish parents whose families came from Lithuania and the Ukraine. He was born in a lower-class area of Dorchester, a neighborhood in Boston, where his mother owned a knitting shop and his father drove a taxicab and sold advertisements. Adelson sold newspapers as a boy. He moved to New York in the early 1950's to attend City College, where he majored in real estate and finance, but he left college without obtaining the required credits to graduate. He served a tour of duty in the army and then went to work as a stenographer on Wall Street. He became a millionaire by the early 1960's by consulting with companies on how to sell their shares in the stock market.

He thereafter returned to Boston and began speculating in businesses and increasing his wealth.

First Ventures

In Boston, Adelson began investing, eventually acquiring more than seventy different companies, the most profitable being a tour and travel business, American International Travel Service, which he bought with two friends in the 1960's. The tour service subsequently generated millions of dollars. However, he lost his fortune when the stock market declined in the late 1960's. He soon recouped his losses in the real estate brokerage business, but he lost another fortune when the condominium market crashed in the early 1970's.

In 1971, he bought a majority share of a company that published computer magazines. He then began producing shows about computers, the first one held in Dallas, Texas, in 1973. By 1984, his Interface Group had produced more than forty shows, and his Computer Dealers Exposition (COMDEX) company, designed to bring computer manufacturers and retailers together, became the largest trade show in Las Vegas. By the 1980's, Interface Company's net income exceeded $250 million, and Adelson was producing trade shows in many cities in the United States, Europe, and Japan.

Mature Wealth

Looking for more opportunities, in 1988 Adelson and his partners from Interface bought the Sands Hotel and Casino in Las Vegas, which in the public mind was forever associated with Frank Sinatra and the Rat Pack. The new owners renovated the Sands, adding a $60 million convention center. Because of a declining economy, however, the convention center did not open until 1995. In that year, Adelson and his partners sold their interest in the trade show industry to Japanese investors for $862 million. Adelson's profits in the transaction amounted to more than $500 million.

In 1996, Adelson razed the aging Sands in a nationally televised implosion to make way for his new project, a Venetian-themed hotel, for which he had gotten the idea while honeymooning with his second wife in Venice in 1991. The Venetian, a casino and hotel, in which all of the rooms were suites, opened in 1999. Constructed at a cost of $1.5 billion, the new hotel was a huge financial success. In 2003, Adelson added the Venezia Tower to the hotel, enlarging the facility to more than four thousand suites, eighteen first-class restaurants, and a shopping mall complete with canals, gondolas to transport the patrons, and singing gondoliers to pole them throughout the mall.

Adelson then turned his attention to the Far East, where he was among the first American investors to recognize a huge gambling and resort potential. He built the first Las Vegas-style casino in the People's Republic of China, the Sands Macau, in a former Portuguese colony off the Chinese coast at a cost of $265 million. He planned to build seven more casinos in the same area, including the

Sheldon Adelson visits the Marina Bay Sands construction site in Singapore. (AP/Wide World Photos)

The Dr. Miriam and Sheldon G. Adelson Educational Campus

The Las Vegas campus that bears the names of property developer Sheldon Adelson and his wife, Dr. Miriam Ochsorn Adelson, was initially founded in 1980. Back then, it was known as the Hebrew Academy, with fifty-seven Jewish students in kindergarten through second grade. Ten years later, the school moved to another location and became the Milton I. Schwartz Hebrew Academy, with enrollment expanded to include a preschool and kindergarten through eighth-grade students. A $25 million gift from the Adelsons in 2005 enabled the school to break ground for a new campus, to expand to include high school students, and to separate into three institutions: the Milton I. Schwartz Hebrew Academy for students in kindergarten through fourth grade, the Adelson Middle School for grades five through eight, and the Adelson Upper School for ninth- through twelfth-graders.

By 2009, the school was located in a $65 million ultramodern campus in the planned community of Summerlin, home to a dozen private schools, most of which are affiliated with religious institutions. The campus featured a research library and technology center; eighteen high school classrooms with three science laboratories; sixteen middle school classrooms with three science labs; twenty-four elementary school classrooms; a 350-seat performing arts theater; art studios; and a sports and fitness center with two indoor swimming pools, two basketball courts, an indoor running track, a volleyball court, tennis courts, a fencing area, and a soccer field. Enrollment in 2008 had increased to more than four hundred students enrolled in preschool through eleventh grade, and in 2009 the first twelve-grade class was in attendance. The curriculum includes instruction in the Hebrew language, Jewish religious texts, and other aspects of Judaic studies in addition to the students' other course work.

The campus is coeducational, and about 2 percent of its enrollees are students of color. It employs sixty-eight classroom teachers, 75 percent of whom have advanced degrees. Average class size is eighteen, and the teacher-student ratio is one teacher for five students. The dress code is formal. Yearly tuition for grades one through eight was $14,345 in 2009, with preschool, kindergarten, and high school students paying a slightly higher amount.

On the Adelson Educational Campus Web page, the School Notes state that "our comprehensive approach emphasizes educating each student to be academically stimulated, emotionally secure and physically healthy in a drug-free environment. It is our vision that our students will become the moral and ethical leaders of tomorrow. We are committed to providing students with an education that prepares them for life."

$2.4 billion Venetian Macau, which opened in August, 2007. Adelson also invested $12 billion to construct approximately twenty thousand hotel rooms in Macau's Cotai Strip, with the intention of modeling this area after the Las Vegas Strip. He became the first American to acquire a casino license in Singapore, where he planned to build the $5.4 billion Marina Bay Sands resort.

To raise the capital for these ambitious enterprises, Adelson took his company, Las Vegas Sands Corporation, public in December, 2004. The success of the company's initial stock offering resulted in *Forbes* magazine ranking Adelson as the world's third-richest man, with a net worth of more than $20 billion. Because of the economic downturn, however, Adelson's rank among the world's richest declined to 178th by 2008.

Adelson has devoted a considerable portion of his wealth to Jewish philanthropic enterprises, such as the Birthright Israel organization. Birthright Israel provides financial assistance to enable young Jews between the ages of eighteen and twenty-six to travel to Israel. He contributed $25 million to the Yad Vashem Holocaust Martyrs' and Heroes' Remembrance Authority in Israel. He and his wife, Dr. Miriam Ochsorn Adelson, have donated more than $25 million to the Milton I. Schwartz Hebrew Academy in Las Vegas in order to build a high school.

The Adelsons have also given considerable financial support to medical research, founding the Dr. Miriam and Sheldon G. Adelson Medical Research Foundation in 2007. The foundation is especially concerned with neural repair and rehabilitation. Adelson has suffered with peripheral neuropathy and has walked with the aid of a cane since 2001. Miriam Adelson, a native of Israel, operates drug rehabilitation clinics in Las Vegas and Tel Aviv. Adelson's adopted son Mitchell died of a drug overdose in 2005; his other adopted son, Gary, also suffers from drug dependency. The couple has plans to open more drug clinics in Israel and the United States. In early 2007, Adelson established the Adelson Family Charitable Foundation, which will eventually donate $200 million or more each year to Jewish and Israeli causes. The foundation's first gift was a pledge of $25 million to

Birthright Israel, which allowed the organization to double its capacity and bring twenty thousand participants to Israel during the summer of 2007.

Adelson has also been heavily involved in politics since accumulating his wealth. Although both he and his wife came from traditionally liberal families, he has contributed primarily to conservative political causes. In 2006, for example, he gave $1 million to former congressman Newt Gingrich's conservative political organization, Solutions for Winning the Future. In 2007, Adelson founded Freedom's Watch, a lobbying group that supports the involvement of the United States in Iraq, a militant stance toward Iran, and Republican candidates for Congress. Freedom's Watch began an advertising campaign in 2007 urging members of Congress, whose support for the Iraq War was wavering, to continue to back the conflict. In 2007, Adelson also began publishing a newspaper, *Israel HaYom* (Israel today), which strongly opposes a two-state solution for the Israel-Palestine dispute and supports Israeli Prime Minister Benjamin Netanyahu.

Since 2000, Adelson's detractors have accused him of corrupt business practices and attempting to influence public policy by buying political influence, although Adelson has been acquitted of several infractions in lawsuits brought against him.

Legacy

Sheldon Adelson accumulated an enormous fortune because of his business acumen, his ruthlessness (some would say unscrupulousness), his vision, and his willingness to take chances. He realized the potential for trade shows on a massive scale and the advantages of Las Vegas as a venue for these shows. He recognized the future of the gaming industry was in the upscale, family-oriented luxury hotels, and he built one of the first and most profitable of these hotels in Las Vegas. He was among the first to see the potential of the Far Eastern gaming industry and invested heavily in that area of the world.

However, perhaps his most far-reaching legacy is his influence on American policy in the Middle East. His lobbying efforts on behalf of Israel and the policies of Prime Minister Netanyahu will continue to affect the United States' position in that volatile area of the world for generations to come. His generosity has also had a beneficial effect on Jewish education in the United States and on medical research and drug rehabilitation efforts in Israel and America.

—Paul Madden

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See also: Donald Bren; Leona Helmsley; Kirk Kerkorian; J. Willard Marriott; Jay A. Pritzker; Donald Trump; Steve Wynn.

Claudius Aesopus

Roman actor

As the leading tragic actor of his time, Aesopus was able to acquire a vast fortune. He was, however, considered a spendthrift and was seen by later writers as an example of the decadent lifestyle of the rich during the Late Republic.

Born: fl. first century B.C.E.; place unknown
Died: After 55 B.C.E.; place unknown
Also known as: Clodius Aesopus
Sources of wealth: Acting; tutoring
Bequeathal of wealth: Children

Early Life

Nothing is known of the childhood or early life of Claudius Aesopus (KLOH-dee-uhs ay-SOH-puhs). Ancient writers were concerned with his skill as an actor and his great wealth. His cognomen, Aesopus, has led some scholars to suggest that he had once been a slave. However, it is just as likely that he was born a free Greek and later attained Roman citizenship. The latter is supported in that Cicero, the Roman statesman, would hardly have spoken of Aesopus in such endearing terms had he been of servile origin.

First Ventures

Much of the information about Aesopus comes from brief accounts in the surviving writings of ancient authors, particularly those of Cicero. According to Cicero, Aesopus was an established tragic actor by 91 B.C.E. and had performed at many state-sponsored theatrical shows. Valerius Maximus states that Aesopus would observe the manners of orators in the forum in order to hone his craft. He was known not only for his strong voice but also for his use of gestures, an important element of any form of public speaking in ancient Rome. Plutarch writes that Aesopus was so passionate an actor that on one occasion he struck and killed an attendant who crossed the stage.

Mature Wealth

Aesopus attained his great wealth by performing in plays and as a hired tutor to the up-and-coming statesmen of his day. His acting career reached a high point in 57 B.C.E., when he performed in two separate plays; he modified the lines to garner praise and support for the exiled Cicero. Indeed, Cicero was one of the statesmen who hired Aesopus as a tutor in order to improve his public speaking. The latest mention of Aesopus is contained in a letter to Cicero from his friend Atticus. Atticus states that Aesopus was among the retired actors who performed at the games celebrating the opening of the Theater of Pompey in 55 B.C.E. According to the fifth century C.E. writer Macrobius, Aesopus's estate was worth 20 million sesterces at his death. While such factors as inflation and differences in standards of living make modern dollar equivalents of ancient money untenable, it can be said that Aesopus was certainly among the wealthiest individuals of his time. To put Aesopus's wealth in its proper context, it should be considered that in his time the property qualification for a Roman senator was 800,000 sesterces, and that a day laborer earned approximately 1,000 sesterces a year.

While admired by many for his skill as an actor and tutor, Aesopus was criticized for mismanaging his wealth. Pliny states that he showed no respect for his lavish fortune, serving up dinners worth 100,000 sesterces that featured cooked songbirds costing 6,000 sesterces each. His son, Marcus Clodius Aesopus, continued to squander the family fortune. He was said to have concocted a favorite drink by dissolving an expensive pearl in vinegar.

Legacy

While actors were generally looked down upon in Roman society, the case of Aesopus demonstrates that the very best not only were in high demand but also were able to attain great wealth, reflecting the popularity of the theater in the Late Republic. They were also sought out as tutors by those, like Cicero, who wished to become important statesmen, thus demonstrating the important reciprocal nature of acting and public speaking in Roman society. The mismanagement of his wealth, however, caused Aesopus to be criticized by his contemporaries as an example of the excesses and decadent lifestyle of the rich.

—*Kevin Birch*

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See also: Marcus Licinius Crassus; Gaius Maecenas; Roscius.

Aga Khan I

Ismāʿīlī political and spiritual leader

Aga Khan I, spiritual and political leader of the Ismāʿīlī Shīʿite community of Islam, acquired his wealth from the tithing of his followers, as well as from horseracing and other investments. He used his wealth in a variety of civic and philanthropic ventures to improve the quality of life for his followers in South Asia, the Middle East, and Africa.

Born: 1800; Kahak, Persia (now in Iran)
Died: April, 1881; Bombay (now Mumbai), India
Also known as: Ḥasanʿalī Shāh (birth name); Muḥammad Ḥasan
Sources of wealth: Inheritance; church; investments
Bequeathal of wealth: Children

Early Life

Aga Khan (AH-gah kahn) I was born Ḥasan ʿalī Shāh in Kahak, Persia (now Iran), the son of the forty-fifth Ismāʿīlī imam, Shah Khalil Allah, and Bibi Sarkara, the daughter of a Persian poet. The untimely murder of Khalil Allah in 1817 elevated Aga Khan to the position of forty-sixth imam of the Nizārī Ismāʿīlī Muslims but left the new imam destitute. Aga Khan's mother moved the family to the Persian holy city of Qom and later to Tehran, seeking redress for Shah Khalil's murder by businessmen in Yazd.

Fatḥ ʿAlī Shāh , the shah of Persia, punished the murderers of Khalil Allah, gave Aga Khan's family land in the Mahallat and Kerman regions of Persia, and married Aga Khan to his daughter, Sarv-i Jahān Khānum. Fatḥ ʿAlī Shāh's generosity was based on his fears that the Ismāʿīlīs might seek revenge against him for their imam's murder.

First Ventures

Ismāʿīlīs are Shīʿite Muslims who believe that the rightful successor to the Prophet Muḥammad must be a blood descendant of the Prophet's daughter, Fāṭimah, whose husband Ali was both the Prophet's cousin and his son-in-law. In 1094, the Ismāʿīlīs split into two branches, the Mustalis and the more numerousNizārīs, as the result of a disagreement over which son of the eleventh imam of the Shīʿite sect should be recognized as the twelfth imam. The Nizārīs accepted blind obedience to their spiritual leader, sanctioning the imams' ruthless murders of political opponents. The Nizārīs came to be called Hashishi (hashish eaters), who consumed the plant before committing political assassinations throughout the Muslim world; the word "assassin" is derived from the word "Hashishi." Their history of violence relegated them to the mountain regions of Syria, Persia, and Afghanistan. In 1256, the Mongols destroyed most of the Nizārīs' Persian followers. The Nizārīs sought converts in Egypt, Africa, and China. Ismāʿīlī converts, called Khojas, settled in western India around Bombay and would eventually become the base of Aga Khan I's followers.

The title Aga Khan I was conferred on Ḥʿalī Shāh by his father-in-law, Fatḥ ʿAlī Shāh. Aga Khan means "lord chief." Aga Khan I governed Mahallat province and was known for his lust for both battles and beautiful women. He was reputed to have fathered more than three thousand children, but only three of his sons were considered legitimate. Light-skinned with a striking appearance, Aga Khan I displayed a gallant manner that masked his ambition.

Aga Khan's refusal to permit the marriage of his daughter to the prime minister of Persia in 1837 caused a rift with the Persian government under the new shah, Aga Khan's brother-in-law. Aga Khan considered the marriage proposal an insult because the prime minister's family was from a lower class. His refusal led to a battle between the Ismāʿīlī and Persian forces in 1838-1840, resulting in a defeat for Aga Khan's troops and his flight to the Sind region (now in Pakistan). While in the Sind, Aga Khan aided the British in the Punjab region of India in their war against the Afghans, fought in 1841-1842. By helping Charles James Napier conquer the Sind in 1843-

1844, Aga Khan was awarded a British pension of 1,000 rupees, or about $500.

Between 1845 and 1848, Aga Khan immigrated to Bombay (now Mumbai), where many Ismāʿīlīs resided, and in 1846 he was declared a political prisoner and removed to Calcutta by the British under pressure from the shah of Persia, who feared Aga Khan. Aga Khan returned to Bombay in 1848 after the death of his Persian brother-in-law, Muḥammad Shah Qajar. In Bombay, the Aga Khan established his religious headquarters, or *durkhana*, a place of pilgrimage where his associates and supporters could visit. Aga Khan paid the expenses of more than one thousand dependents, family members, retainers, and a troop of two hundred cavalry.

The Aga Khan Development Network and the Ismāʿīlī Imamat

The Aga Khan Development Network is a nonprofit organization funded by Aga Khan IV and by donations. The network seeks to improve living conditions and opportunities for poor people in Asia and Africa, regardless of faith, origin, or gender. The organization works in more than twenty-six countries and employs sixty thousand people. Among its projects, the network has brought water to dry regions; funded business enterprises; built medical facilities and nursing schools; and promoted education for Ismāʿīlī Muslims. In the twenty-first century, the network's projects have included financing centers for the study of Islam in Western nations.

The network consists of several agencies, including organizations focusing on microfinance, education services, economic development, health services, planning and building, and culture, as well as Aga Khan University and the University of Central Asia. Each agency is chartered with a specific mandate but is designed to work with the other organizations in order to achieve common goals. The network's budget for 2008 was $450 million; these funds were provided by the Aga Khan Fund for Economic Development, which generates annual revenues of $1.5 billion and reinvests surplus revenue in development projects.

The network was founded by Aga Khan IV, the forty-ninth imam and spiritual leader of the Ismāʿīlīs. Aga Khan IV has led the network for more than fifty years, and he has been instrumental in obtaining funding from national governments, multinational institutions, and private sector organizations. The Ismāʿīlī community contributes volunteer time, professional services, and financial contributions. Although the network initially was established to benefit the Ismāʿīlī Islam community in South Asia and East Africa, the organization has expanded its reach to Egypt, India, Kyrgyzstan, and Mali.

Ismāʿīlī Muslims believe that revelation ceased with the death of the Prophet Muḥammad, but the need for spiritual and moral guidance continues under the leadership of a direct descendant of the Prophet. The Ismāʿīlīs are the second-largest Shīʿite Muslim community, with the largest residing in Iran. Aga Khan IV has emphasized the role of intellect in the realm of faith, maintaining that intellect is revealed through the Prophet Muḥammad and through man's own virtue in remembering that the mind is God's creation. The projects of the Aga Khan Development Network emphasize that God's creation is not static but continues through scientific projects and other endeavors. Aga Khan IV has stated that confronting the challenges of science and ethics is a requirement of the Islamic faith. His guidance provides a liberating framework with which to enable an individual's quest for meaning and to find solutions to problems experienced by Ismāʿīlī Shīʿites in a global age.

Mature Wealth

The Bombay High Court on November 12, 1866, confirmed the title and rights of Aga Khan I. Under the British raj, Aga Khan was granted princely status with the right to use the initials H. H. (for His Highness) before his name. He resided in the Bombay palaces of Poona and Aga Hall. Aga Khan agreed to take no active part in Indian politics, but he did accept a seat on the Bombay legislative council.

Aga Khan I was widely recognized for his participation in the sports of hawking and breeding hounds, and he maintained a lavish stable of Persian, Arabian, English, and Turkomen racehorses. He successfully took legal action against a rival, more liberal branch of the Ismāʿīlīs, who criticized his morals. Aga Khan reorganized his sect's finances around the practice of tithing (donating 10 percent of income), providing gifts for special occasions, and the ritual of Kahada-Khuaraki, at which large meals for families were auctioned off and the revenue donated to Aga Khan. All of the funds he collected were invested in horses and real estate. Aga Khan died in 1881 and was buried at a shrine in Bombay.

Legacy

Aga Khan I redefined the image and purpose of Ismāʿīlī Muslims. The expulsion of Aga Khan from Persia, his elevation to princely status by the British, and his shrewd investments led to a complete image makeover for this branch of Shīʿite Muslims. Investments and tithing formed the basis of Aga Khan I's wealth, and his fortune was supplemented by silver, gold, and diamond celebrations in which Ismāʿīlīs brought these commodities to match his weight. The funds raised from these celebrations were invested and contributed to Aga Khan's charitable contributions, which were designed to benefit Ismāʿīlīs. In the process, the Ismāʿīlīs under Aga Khan I became an international organization with followers residing in twenty-five countries. With a strengthened religious and political organization, Aga Khan I engaged in humanitarian, educational, and philanthropic endeavors benefiting Ismāʿīlīs on a global stage.

—*William A. Paquette*

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See also: ʿAbbās the Great; Yaḥyā ibn Khālid al-Barmakī; Hārūn al-Rashīd.

Agamemnon

Greek king and military leader

Agamemnon, the king of Mycenae, is a well-known figure in Greek mythology and literature. His fortune, though considerable in its own right for a Homeric king in the Greek epic tradition, has come to symbolize the wealth and power of Mycenaean civilization of the late Bronze Age (c. 1580-1150 B.C.E.*).*

Born: fl. thirteenth-twelfth century B.C.E.; Greece
Died: fl. thirteenth-twelfth century B.C.E.; Greece
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Spouse

Early Life

According to Homeric and Greek mythological traditions, Agamemnon (ag-uh-MEHM-non) belonged to the royal line of Atreus. Hittite records from the fourteenth century B.C.E. attest to a certain Attarssiyas of Ahhiyawa, which may refer to Atreus, Agamemnon's father. Any connection, however, between Agamemnon, or his family, and specific historical figures in the Greek Bronze Age must remain speculative.

First Ventures

Agamemnon's early wealth would have come from inheritance, as he was the eldest son and heir of Atreus, the king of Mycenae. The historian Thucydides mentioned that Agamemnon's grandfather Pelops had acquired a great fortune in Asia Minor and had settled in Mycenae in the Peloponnese. Unfortunately, the house of Atreus was sullied by a troubled past filled with political intrigue, murder, rape, incest, and religious sacrilege. As a result, Agamemnon and his brother Menelaus found themselves deposed from their home city of Mycenae after the death of their father. Both Agamemnon and Menelaus took refuge in the city of Sparta, where they married the daughters of King Tyndareus. Menelaus married the beautiful Helen, while Agamemnon took the hand of the notorious Clytemnestra. Later, Agamemnon, with his brother's aid, returned to Mycenae, where he restored his immediate family to power and became king. As ruler of Mycenae, Agamemnon had access to the wealth and resources of one of the richest cities mentioned in Homer's *Iliad* (c. 750 B.C.E.; English translation, 1611).

Mature Wealth

Agamemnon was at the height of his wealth and power during the Trojan War, when he was the leader of the Greek expedition sent to retrieve Helen. Throughout Homer's *Iliad*, Agamemnon's epithet is the "Son of Atreus, wide-ruling," from "Mycenae, rich in gold." The epic tradition states that he was able to muster an armada of 1,186 ships from twenty-eight different areas in Greece. Agamemnon himself commanded one hundred of these ships, the largest of any single contingent of Greek heroes. Homer's famous catalog of ships provides evidence that Agamemnon had expanded his control over large areas of the Peloponnese and enjoyed the riches that his increased power provided.

The campaign against the Trojans was long and difficult, lasting for a good part of a decade. During the war's tenth year, a disagreement over the distribution of war booty between Agamemnon and the Greeks' best warrior, Achilles, jeopardized the entire conflict. In an attempt to mollify Achilles' hurt feelings, Agamemnon made the great warrior a substantial gift offering that included seven bronze tripods, twenty shining cauldrons, twelve horses, seven skilled women from the island of Lesbos, and an amount of gold equivalent to the value of five pairs of oxen. These gifts were of enormous value in a premonetary, gift-exchange economy. Eventually, the city of Troy fell, and the Greek heroes left for home. Upon his return to Mycenae, Agamemnon was struck down by his wife, Clytemnestra, and her lover Aegisthus.

Legacy

For centuries, Agamemnon and Mycenae were relegated to the realm of legend and mythology until the excavations of archaeologist Heinrich Schliemann brought to light the existence of a Bronze Age Greek civilization, which closely resembled in some aspects the civilization described in Homer's epic poems. In 1876, Schliemann, while excavating the city of Mycenae, discovered a group of grave circles containing magnificent objects, including a golden mask of such quality that it prompted Schliemann to exclaim that he had found the tomb of Agamemnon himself. Although modern analysis of Schliemann's finds date the mask and the circle graves to a time earlier than when Agamemnon supposedly lived, the golden artifacts and wealth found at Mycenae have become synonymous with its legendary king.

—*Byron J. Nakamura*

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See also: Hipponicus II; Nicias; Pasion.

GIOVANNI AGNELLI

Italian automobile manufacturer

Agnelli ruled the automaker Fiat, one of Italy's largest companies. As head of the family-run firm for more than forty years, he became a great Italian industrialist, as well as a power broker. He oversaw Fiat's purchase of the Lancia, Maserati, Alfa Romeo, and Ferrari car companies.

Born: March 12, 1921; Turin, Italy
Died: January 24, 2003; Turin, Italy
Also known as: Gianni Agnelli
Sources of wealth: Inheritance; manufacturing; sale of products
Bequeathal of wealth: Spouse; relatives; charity

Giovanni Agnelli with the cars produced by his Fiat factory. (Time & Life Pictures/Getty Images)

EARLY LIFE

Giovanni "Gianni" Agnelli (joh-VAHN-nee jee-AH-nee ag-NEL-lee) was the grandson and namesake of Giovanni Agnelli, the founder of the Italian car company Fiat S.p.A., and the son of industrialist Edoardo Agnelli and Virginia Bourbon del Monte, daughter of an Italian aristocrat. Agnelli attended the Pinerolo Cavalry Academy and studied law at the University of Turin, though he never practiced as an attorney. When Italy entered World War II, Agnelli joined a tank regiment and saw service at the Russian front. Wounded twice in Russia, Agnelli recovered to serve in North Africa. A German officer in North Africa shot Agnelli in the arm during a bar fight over a woman. After Italy surrendered in 1943, Agnelli became a liaison officer with the occupying American forces because of his fluency with English.

FIRST VENTURES

Upon the death of his grandfather in 1945, Agnelli became the head of the family. He began learning the family business under the guidance of Vittorio Valleta, who headed Fiat until an Agnelli could take over the company. Like many Italian industrialists, who combine money with status by marrying into the nobility, Agnelli married Princess Marella Caracciolo of Castagneto, a socialite, in 1953. With a reputation as one of Italy's greatest playboys, Agnelli continued to be involved with other women throughout his marriage, including film star Anita Ekberg and fashion designer Jackie Rogers. He undoubtedly spent a good deal of money in his pursuit of women, while also developing a reputation as a man of exquisite fashion taste.

MATURE WEALTH

In 1963, Agnelli became managing director of Fiat; three years later, he became chairman. One of the major events of his professional life took place in 1966, when he orchestrated a joint venture between Fiat and Soviet automaker AutoVAZ, in which Russia built an automobile plant capable of producing 660,000 cars per year. Much of Agnelli's professional life, however, involved dealing with Italy's powerful trade unions. By appealing directly to Italians, Agnelli broke the power of the unions in the 1980's.

Agnelli spent his money on art, especially paintings, and on fashionable clothes. He could often be found in a custom-made suit designed by the Caraceni fashion house with an expensive wristwatch worn over the cuff. Typical of an automobile magnate, he also loved fast cars, as well as sailing, skiing, and horses. A famous soccer fan, he briefly owned the Italian club Juventus. Agnelli also spent money and time to promote Italy. The city of Turin won the honor of hosting the 2006 Winter Olympics largely because of Agnelli's promotional efforts. In 1991, Agnelli became a senator for life, with the honor serving as tribute to his long service to Italy.

Agnelli succumbed to prostate cancer and died in 2003. As he lay in state in an art gallery that he had recently donated to Turin, more than 100,000 people paid their respects. Agnelli's funeral, broadcast on television, brought thousands of mourners to Turin's cathedral. Agnelli bequeathed his famed collection of paintings to the city of Turin. Fiat remained in Agnelli family hands, though General Motors purchased 20 percent of the company in 2000.

Legacy

Agnelli provided jobs for Italians in the years after World War II, protecting them from poverty and earning the undying love of many people. To Italians, Agnelli was far more than an industrialist. With his love of fashion, appreciation for beauty, and financial influence, he became symbolic of Italy itself. Italians watched his every move and reacted to his death with tears. His demise was like the death of an Italian king.

For most of Agnelli's lifetime, Fiat held a major share of the Italian car business. In 1990, 75 percent of Italians bought a Fiat. By the time of Agnelli's death, however, only about 33 percent of Italians purchased a Fiat. The company reported a $1.3 billion loss for 2002, and many Italians doubted that Fiat would survive for much longer.

—*Caryn E. Neumann*

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See also: Walter P. Chrysler; Chung Ju Yung; John F. Dodge; Henry Ford; Soichiro Honda; Alfred P. Sloan.

Mohammed Hussein Ali Al Amoudi

Saudi Arabian investor

Born in a small provincial town in Ethiopia, Al Amoudi was ranked by Forbes *magazine in 2010 as the world's sixty-fourth-richest person, with a net worth of $1 billion. Although he is involved in diverse ventures all over the world, his investments constitute a sizable portion of the Ethiopian economy.*

Born: 1946; Dessie, Ethiopia
Also known as: Mohammed Hussein Ali Al Amoudi
Sources of wealth: Construction business; investments; real estate; oil; mining; tourism
Bequeathal of wealth: Relatives; charity

Early Life

Mohammed Hussein Ali Al Amoudi (moh-HAH-mehd hoo-SAYN ah-LEE ahl ah-MOO-dee) was born in Dessie, Ethiopia, in 1946, the son of a Yemeni father and an Ethiopian mother. He grew up in Weldeya, a small rural town in Ethiopia, before he moved in 1965 to Saudi Arabia, where he became a citizen.

First Ventures

In Saudi Arabia, Al Amoudi embarked upon his first business venture. Although the details of his early business remain scanty, it is known that his initial wealth was acquired after he left his job as a cement dealer to become a construction material supplier to a Swedish-operated project for the Saudi defense ministry. Al Amoudi was said to have been a front man for Sultan bin Abdul Aziz al-Saud, the Saudi minister of defense and aviation.

Mature Wealth

After his first investments in construction-related businesses in Saudi Arabia, Al Amoudi rapidly branched out into real estate development, the oil and gas industries, mining, agriculture, hotels, and finance. His investments were organized under four conglomerate companies—Corral Group, MIDROC Europe, MIDROC Ethiopia, and ABV Rock Group—and were scattered across the globe, with significant concentration in Sweden, North Africa, the Middle East, and Ethiopia. Preem Petroleum, part of the Corral Group, is the largest integrated petroleum company in Sweden. Svenska Petroleum, Al Amoudi's other Swedish holding, has been engaged in explorations off the West African coast. Corral Morocco Gas and Oil and Corral Oil Company are major players in the gas and oil industries in Morocco and Lebanon, respectively.

However, nowhere do Al Amoudi's investments have as much impact as in Ethiopia, where his MIDROC Ethiopia conglomerate consists of thirty enterprises and business interests and is the largest privately held business in the country. In addition to his extensive control over gold mines and construction-related businesses, Al Amoudi has moved to expand his investments in Ethiopian farms. The Al Amoudi-owned Saudi Star Agricultural Development Company has been negotiating with the Ethiopian government to acquire about 500,000 hectares of agricultural land that would be used to grow food in Ethiopia for Saudi Arabia.

Legacy

Al Amoudi is a truly self-made billionaire who rose from an impoverished boyhood in a remote district in Ethiopia to become one of the richest men in the world. His far-flung business empire employs more than forty thousand people. He has made generous donations to several charity organizations, including the William J. Clinton Foundation. Al Amoudi sponsors the St. George Football Club, one of the best-known soccer teams in Ethiopia. He has paid the medical expenses of a number of individuals in Ethiopia who needed treatment abroad. The Ethiopian government has awarded him the First Special Millennium Golden Medal for his "exemplary deeds for the development of Ethiopia and its people." He has also been honored by King Carl XVI Gustaf of Sweden with the Swedish Royal Order of the Polar Star, and he has been recognized by the World Bank and the U.S. State Department for his support of African development through his investments.

There are persistent reports that Al Amoudi's holdings are partially a front for the Saudi royal family. Al Amoudi has also been accused of using his enormous wealth and close association with the Ethiopian government to force out business competitors and create a virtual monopoly on several lucrative sectors in the Ethiopian economy. In addition, there are allegations that Al Amoudi has been using his considerable wealth and influence to evade regulations and proper scrutiny of his business performance in Ethiopia. His open support for the government in power during the fiercely contested 2005 Ethiopian election has earned him widespread condemnation from opponents of the regime. The few private newspapers in Ethiopia including *The Reporter*, have run a series of articles alleging corruption and inefficient practices in Al Amoudi's business enterprises in that country.

—*Shumet Sishagne*

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See also: Al-Waleed bin Talal; Mohammed bin Laden; Aliko Dangote.

Al-Waleed bin Talal

Saudi Arabian investor

Al-Waleed bin Talal may have been the leading global investor of the last decade of the twentieth and the first decade of the twenty-first century, with substantial holdings in 120 countries. He also was the largest single foreign investor in the United States.

Born: March 7, 1955; Riyadh, Saudi Arabia
Also known as: Al-Waleed bin Talal bin Abdul Aziz Al Saud; Al-Walid bin Talal; Walīd ibn Talāl; Alwaleed
Sources of wealth: Inheritance; investments
Bequeathal of wealth: Relatives; charity; educational institution

Early Life

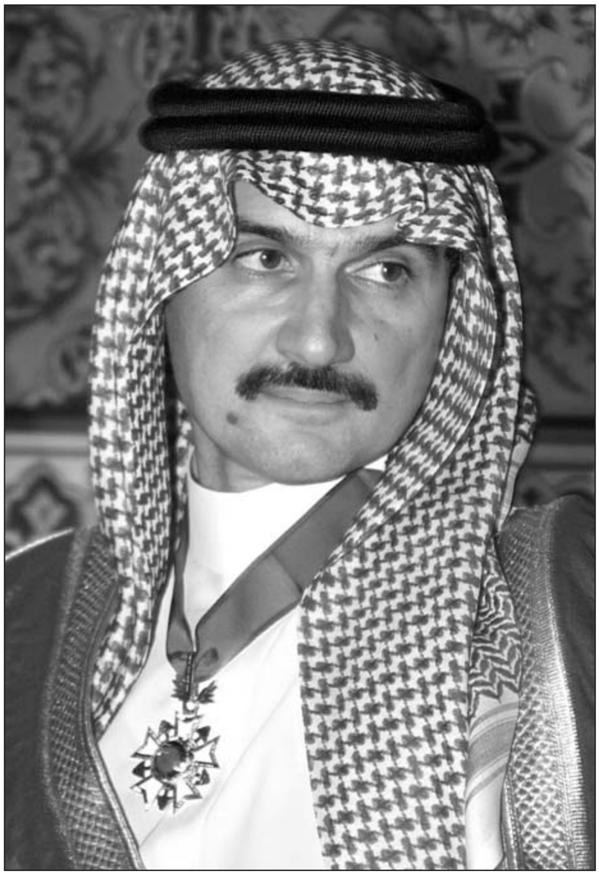
Al-Waleed bin Talal (ahl-WAH-leed bihn tah-LAHL) bin Abdul Aziz Al Saud is the son of Prince Talal bin Abdulaziz Al Saud and Princess Mona El-Sohl. Al-Waleed's father was the twenty-first son of King Abdulaziz bin Saud, the founder of modern Saudi Arabia, and Al-Waleed is a royal prince of the Saudi kingdom. (According to Arabic custom, the son takes the name of his father as part of his surname with the prefix "bin" or "ibn.") Princess El-Sohl is the daughter of Riad El-Sohl, the first prime minister of modern Lebanon. Al-Waleed was the oldest of three children born to his parents before they divorced in 1968.

As a result of the divorce, Al-Waleed was raised in both Lebanon and Saudi Arabia, and he has remained attached to both nations, as well as to the United States, where he attended college. He went to the Pinewood and Choueifat Schools in Lebanon, but he was a lackluster student. During this time, however, he did grow more attached to his Islamic faith. At nineteen, he enrolled in Menlo College in Atherton, California, near Stanford University. He also married his cousin, Princess Dalal Al Saud. They had two children, a son Khaled, born on April 12, 1978, and a daughter Reem, born on June 20, 1982.

First Ventures

In 1979, Al-Waleed returned to Saudi Arabia. For most of human history, the Arabian Peninsula has known little material prosperity. However, in the 1930's American geologists discovered the world's largest oil reserve beneath the area's desert sands. By the 1970's, the oil wealth of the Saudi royal family and its five thousand princes had become legendary. The Saudi economy was booming, and with $30,000 from his father, Al-Waleed set up his first company, the Kingdom Establishment for Trading and Contracting. Al-Waleed also accumulated a steady stream of income from the 5 percent commission that every foreign venture had to pay an Arabian representative in order to do business in the kingdom, a reliable source of revenue for Saudi princes and other well-connected Saudi businessmen. Al-Waleed received commissions from real estate and construction projects.

After earning a master's degree from Syracuse University, Al-Waleed borrowed 1 million riyals (equivalent at this time to about $300,000 in U.S. currency), and he expanded his business ventures by entering the banking sector. In 1986, he acquired control of the unprofitable United Saudi Commercial Bank. He revamped its operations by dismissing some employees and providing incentives to others, and the bank turned a profit within two



Al-Waleed bin Talal. (AP/Wide World Photos)

Stock Markets

In the modern world, there is no greater generator of wealth than the stock market. According to *Forbes* magazine's 2010 list of the world's billionaires, the three richest men accumulated their fortunes through spectacular increases in the value of their core stock holdings: Carlos Slim, with his shares of the Telmex telephone company; Bill Gates, with shares in Microsoft Corporation; and Warren Buffett, with shares in Berkshire Hathaway, Inc. The importance of the stock market reflects the dominance of the corporate model in the modern economy. It also demonstrates the movement of wealth from tangible assets, such as land, cattle, and gold, into financial instruments that can be denominated in stock shares and financial derivatives.

A stock market exchange is a medium that enables investors to buy and sell shares of companies. The rise of the joint-stock company—the first corporation—and the first modern stock exchange occurred simultaneously. The Dutch East India Company was chartered in 1602 in order to sell shares in the company's trade. Stock markets emerged to enable shares or stocks in this company to be exchanged for an agreed upon price. By 1607, one-third of the stock of the Dutch East India Company had been sold to secondary purchasers. In 1609, the Amsterdam Stock Exchange was founded in order to create an orderly secondary market for these shares. With the formation of similar joint-stock companies throughout the world, stock exchanges were created in the world's major financial markets.

Stock markets have been a critical means of raising money for corporations and of capitalizing major industries. Countless fortunes have been made—and lost—in the stock market. Stock markets have seen bubbles, panics, crashes, fraud, and every other spectacle of the modern fluctuating economy. By 2008, the size of the world's stock markets was estimated at more than $37 trillion, with the derivatives market—financial instruments that derive their prices from the price of underlying securities—at more than twenty times that amount, or a staggering $791 trillion. In separating ownership of the company from its management and liability, stock markets have allowed millions of average investors to participate in corporate ownership.

However, dispersing ownership among millions of uncoordinated, "part-time" shareholders can create difficulties. Accountability for the conditions and wages of workers can become attenuated. In addition, in the late twentieth and early twenty-first centuries corporate scandals arose when chief executive officers received hundreds of millions of dollars in compensation from corporate boards of directors and when lawyers collected billions of dollars from companies in which share prices declined or mergers were completed, to the detriment of shareholders.

Al-Waleed bin Talal is one of the most important stock market investors of modern times. As of 2009, he had significant holdings in 120 countries and was the single largest foreign investor in the United States. He has formulated some cardinal rules of investing. He maintains that one should always be patient and should not chase the stock market but should wait until stock prices decline before making investments. He also advises individuals to invest in "liquid" companies—or companies in which stock can be bought and sold easily and rapidly—so an investment can be sold quickly. Each investment should be equal to at least 1 percent of an individual's net worth, even if that net worth is in the billions of dollars, in order to make a significant impact on one's overall investment portfolio.

years. He then acquired the Saudi Cairo and Saudi American Banks, as well as the Savola and Al-Azizia Panda food operations. Al-Waleed then turned his attention to the United States, buying $250 million worth of shares in Citibank and Chase Manhattan, Manufacturers Hanover, and Chemical Banks.

Mature Wealth

By 1990, Al-Waleed had become a billionaire and the largest investor in the Middle East. That year, he made the most important investment of his career by obtaining 207 million shares of the undercapitalized Citibank at $2.50 a share. In 1991, he invested another $590 million in Citibank, making him its single largest shareholder. He then bought shares of other large American companies, including technology pioneer Apple Computer, Inc. Al-Waleed made a $345 million investment in Euro Disney, giving him a 24 percent stake in this amusement park. He has purchased world-famous hotels, such as the Plaza in New York City, the George V in Paris, and the Fairmont, Four Seasons, and Movenpick hotel chains. He has also invested in the Canary Wharf commercial real estate project in London, the Saks Incorporated retail chain, and Planet Hollywood restaurant and resort chain.

In Saudi Arabia, Al-Waleed's Kingdom Establishment holding company has played a dominant role in the economy. In 1985, he built the Kingdom Tower in Riyadh, a 994-foot-tall building that was the largest skyscraper in the Middle East. This real estate development, valued at 1.7 billion riyals ($453 million), includes the Kingdom Centre, with a shopping mall, a hotel, and an expansive apartment complex. Al-Waleed also constructed the modern Kingdom Hospital at a cost of 400 million riyals ($107 million), the Kingdom School for 330 million riyals ($88 million), and the Kingdom City residential complex for 400 million riyals ($107 million).

In 2005, *Forbes* magazine ranked Al-Waleed the fifth-richest person in the world, with assets of $21.5 billion. His Kingdom Holdings investment portfolio included $11.4 billion in the banking sector, primarily in Citibank. His stake in real estate, hotels, and Saudi Arabian construction projects totaled $4.6 billion. He also had invested $3.1 billion in Euro Disney and other entertainment ventures, including the Arabic recording label Rotana. His stake in the technology and Internet companies Apple Computer, Inc., Hewlett-Packard, Kodak, Motorola, Amazon.com, eBay, and Priceline was more than $1 billion. Al-Waleed was the largest single foreign investor in the United States. His Savola group of food-related investments in Saudi Arabia was worth almost $500 million. In addition, his personal trove of cash, palaces, planes, and boats was worth more than $5 billion. Al-Waleed had slipped to number nineteen in *Forbes* 2010 list of world billionaires, and his estimated net worth had declined to $19.4 billion.

Al-Waleed's wealth raises questions about the source of his fortune. His critics charge that he has made his money through his royal connections. Dan Briody, author of *The Iron Triangle: Inside the Secret World of the Carlyle Group* (2003), improbably suggests that Al-Waleed was a front man for secret government money supplied to him by Saudi defense minister Sultan bin Abdul Aziz. Al-Waleed, however, has insisted that he is essentially a self-made man, providing documentation to support his argument. Although he has conceded the benefits of the start-up money provided by his father and the prestige of his royal name, he has claimed that he earned his billions of dollars through his own investments.

He is certainly a disciplined investor, who has devoted his time and resources to economic research. One of his heroes is the world chess champion Garry Kasparov, whom Al-Waleed admires for his strategic and long-term thinking, qualities which Al-Waleed aimed to duplicate in his investment strategy.

Al-Waleed's status as the world's largest Middle Eastern investor has also generated controversy. After the terrorist attack on of the World Trade Center in New York City on September 11, 2001, he offered a $10 million donation to the Twin Tower Fund, which was rejected by Mayor Rudy Giuliani because of political statements that Al-Waleed had made regarding Middle Eastern politics.

In December, 1994, Al-Waleed divorced Princess Dalal. Two years later, he married Princess Iman Sudairi, but they divorced within a year. Since then, he has been married to two other women. With an annual income of more than $500 million a year, Al-Waleed has been able to live a princely lifestyle. His palace in Riyadh cost hundreds of millions of dollars to build and maintain, with a staff of more than two hundred servants and groundskeepers. The palace measures 460,000 square feet, with 420 rooms, 1,500 tons of Italian marble, exquisite silk carpets, 520 televisions, a forty-five-seat film theater, eight elevators, three swimming pools, a bowling alley, and tennis courts. His 120-acre desert compound outside Riyadh boasts a zoo, a farm, horse stables, and five artificial lakes. He has vacationed in a 283-foot yacht, the *5KR*, off the coast of Cannes, France, tended to by hundreds of employees in power boats. His fleet of personal planes includes a luxurious Boeing 747 jumbo jet; his fleet of cars numbers more than one hundred. In his palace, he stores fifty boxes of jewelry, worth $700 million.

Legacy

Al-Waleed spends about $100 million a year on charity, which includes building Islamic mosques throughout the world; donating to the needy in Saudi Arabia, Lebanon, and Palestine; and providing disaster relief. He has funded centers in universities in Cairo, Egypt; Beirut, Lebanon; Syracuse, New York; and Exeter, England. In 2005, he donated $20 million each to Georgetown University and Harvard University to establish Islamic study centers.

—*Howard Bromberg*

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See also: Mohammed Hussein Ali Al Amoudi; Mohammed bin Laden; Sultan Hassanal Bolkiah.

Eighteenth Duchess of Alba

Spanish aristocrat and socialite

The eighteenth duchess of Alba holds more titles than anyone in the world, with more than fifty titles of nobility. The sole heir to her family's fortune, landholdings, palaces, and private collections of art and artifacts, her net wealth is conservatively estimated at $500 million.

Born: March 28, 1926; Madrid, Spain
Also known as: María del Rosario Cayetana Alfonsa Victoria Eugenia Francisca Fitz-James Stuart y Silva (birth name); Cayetana Fitz-James Stuart; Duchess of Alba de Tormes
Sources of wealth: Inheritance; real estate; agricultural products
Bequeathal of wealth: Children

Eighteenth Duchess of Alba. (AFP/Getty Images)

Early Life

The eighteenth duchess of Alba (AHL-bah) is related by birth to Mary, Queen of Scots; Christopher Columbus; Empress Eugénie of France; and British prime minister Winston Churchill. Her ancestor, María del Pilar de Silva, thirteenth duchess of Alba, was the subject of *The White Duchess* (1795), a noted painting by Spanish artist Francisco de Goya.

Her name at birth was María del Rosario Cayetana Alfonsa Victoria Eugenia Francisca Fitz-James Stuart y Silva. An only child, the duchess's father was the seventeenth duke of Alba, Don Jacobo Fitz-James Stuart y Falcó, who served as Spain's ambassador to Great Britain during World War II; her mother was María del Rosario de Silva y Gurtubay, the fifteenth duchess of Aliaga and the ninth marchioness of San Vicente del Barco. Known by her nickname Tana, she grew up in an atmosphere of wealth and luxury. She was born in 1926 and lived in the eighteenth century Liria Palace in Madrid, which was destroyed during the Spanish Civil War (1936-1939) but subsequently rebuilt.

First Ventures

In one of the most expensive weddings ever, the duchess was married in 1947 to the duke of Sotomayor's son, Pedro Luis Martínez de Iroju y Artácoz. The couple had six children, all of whom were titled and made grandees after she became the eighteenth duchess of Alba upon the death of her father in 1953. The duchess's children are all surnamed Fitz-James Stuart y Martínez de Irujo and include

Carlos, eighteenth duke of Huéscar, born in 1948; Alfonso, duke of Aliaga, born in 1950; Jacobo, count of Siruela, born in 1954; Fernando, marquis of San Vicente del Barco, born in 1959; Cayetano, count of Salvatierra, born in 1963; and María Eugenia, eleventh duchess of Montoro, born in 1968.

Despite marriage and motherhood, the attractive and vivacious duchess was rumored to have engaged in numerous affairs with toreadors and flamenco dancers at her more secluded palaces in Cordoba and Seville. Her husband died of cancer in 1972, and six years later she married a former Jesuit priest and scholar, Jesús Aguirre y Ortiz de Zárate, who was temporarily given the title "duke of Alba." Her second husband and eldest son coadministered the extensive family properties until Zárate's death in 2001.

Mature Wealth

A well-known socialite and celebrity, the duchess of Alba has been an intimate of Spain's royalty and nobility. Although troubled late in life with physical problems, she continued to perform extensive charity work and has been a member, officer, and benefactor of many cultural organizations. She owns two agribusinesses, Euro Explotaciones Agrarias and Eurotéchnica Agraria, which have received millions of dollars in government subsidies. She also owns eighty-five thousand acres of land.

The duchess's residence, Liria Palace, features regular public tours of selected family treasures, from which she derives income. The items on display include paintings by Goya, Titian, Rembrandt, Peter Paul Rubens, Fra Angelico, Bartolomé Esteban Murillo, and El Greco. Display cases feature such unique items as the first Bible translated into Spanish, known as the Alba Bible (1430); King Ferdinand II and Queen Isabella I's marriage certificate; a document freeing Columbus from jail; and crown jewels. Tourists can also view masterpieces of tapestry that drape the walls, priceless porcelain figurines, suits of armor, and the duchess's own collection of perfume bottles.

Legacy

The duchess planned to marry for a third time when she was eighty years old. Her intended was antiques dealer Alfonso Díez Carabantes, twenty-four years her junior. Her desire became a point of contention among her six children. Three believed she should be allowed to marry; the others, including her eldest son Carlos, the future duke of Alba, opposed the wedding. Although the dukes and duchesses of Alba are exempt from kneeling before the pope and allowed other singular privileges, they are also subject to the Spanish monarchy. Therefore, the duchess must gain permission to marry from King Juan Carlos I. As of June, 2010, the king was against the wedding, but Queen Sofia was in favor of the proposed union, and the issue remained unresolved.

—*Jack Ewing*

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See also: Brooke Astor; Doris Duke; Barbara Hutton; Gloria Vanderbilt.

Miguel de Aldama

Cuban sugar magnate and investor

The wealthiest Cuban of the nineteenth century, Aldama supported Cuban independence, and for this reason his plantations and mansions were confiscated by the Spanish government.

Born: May 9, 1820; Havana, Cuba
Died: March 15, 1888; Havana, Cuba
Also known as: Miguel de Aldama Alfonso
Sources of wealth: Inheritance; agricultural products; slave trade; investments
Bequeathal of wealth: Children; confiscated

Early Life

Miguel de Aldama (mee-GEHL day ahl-DAH-muh) Alfonso was the oldest son of Domingo de Aldama, the wealthiest planter in Cuba, and Maria Rosa Alfonso, who came from a wealthy planter family. Cuban sugar was a much desired commodity, and Cuban sugar magnates were among the wealthiest in the Spanish empire. The Aldama family traveled in elaborate stage coaches with uniformed servants and outriders.

As was typical of wealthy Spaniards, the young Aldama received a cosmopolitan education. After instruction at the San Cristobel de Carruguao preparatory school, at age fifteen he was sent to Europe, where he studied in Hamburg, Berlin, Paris, and England. He returned to Cuba at the age of twenty-three. Aldama inherited his parents' estates and was considered to be the wealthiest man in Cuba.

First Ventures

Aldama owned five large sugar plantations in the Matanzas sugar zone. His Santa Rosa and La Concepcion sugar mills were the most productive in Cuba, encompassing three thousand acres worked by more than two thousand slaves. His Santa Rosa mansion contained more than twenty-five bedrooms and a dining table that seated fifty people. Aldama's revenue from his sugar plantations was estimated at $3 million a year. Aldama used his wealth to initiate enterprising banking ventures. He invested $4.5 million in banks that loaned money against the value of plantations and other properties. He similarly established banks to promote mercantile trade and agricultural production. His loan in 1857 of $3 million financed construction of a 150-mile railroad from Havana to Matanzas to Cardenas, and he became the chief shareholder in the Cuban rail industry.

Mature Wealth

Aldama and his father built a splendid mansion, Palacio Aldama, in Havana. Construction started in 1840, and the residence was designed by the Dominican architect Manuel José Carrera. Palacio Aldama featured two adjacent grand stone houses, marble floors, balconies and balustrades made of cast-iron and bronze, and hand-painted tiles. The banquet hall sat one hundred. The great hall featured two magnificent paintings, one of the Pilgrims landing on Plymouth Rock, the other of conquistador Hernán Cortés landing in Mexico. Aldama was an ardent Cuban patriot, who favored Cuba's independence from Spain and supported the ill-fated rebellion of Narciso López in 1851. The magnificence and symbolism of Palacio Aldama might indicate Aldama's hope that the residence would become the executive mansion of a Cuban republic. Aldama was also a patron of Cuban artists and writers.

Aldama's plantations produced about forty-eight thousand 425-pound boxes of white sugar annually. At the peak of his fortune, Aldama was worth about $12 million when the price of Cuban sugar doubled during the Civil War in the United States. Another Cuban rebellion broke out in 1867, prompting brutal repression by Spanish troops, including the pillaging of the Aldama residences. In 1869, Aldama was compelled to go into exile in Europe and New York. He spent the next two decades rallying for Cuban independence, spending about $2 million for this cause. On December 9, 1872, he wrote a letter from Paris in which he declared that all of his slaves in Cuba should be set free.

Settling in New York in 1877, Aldama became the president of the Cuban Revolutionary Committee. In the 1870's, the Spanish government confiscated his property in Cuba, valued at $5 million. Aldama returned to Cuba in 1885 but was unable to regain his property. He died of a liver ailment three years later. The estate he left to his daughters, Rosa and Lola del Monte, was worth only a fraction of his former fortune.

Legacy

Like George Washington and Simón Bolívar, Aldama was a wealthy man who risked his fortune for independence. It was said that Aldama built Palacio Aldama in the hope that it would become the executive mansion of an independent Cuban republic. However, he was forced to flee Cuba, his wealth was confiscated, and he died in relative poverty. On January 17, 1956, Cuba issued a postage stamp in his honor. The Palacio Aldama, which since 1987 has housed the Instituto de Historia de Cuba (institute of Cuban history), is considered the most important neoclassical building in Cuba and remains one of Havana's cultural treasures.

—*Howard Bromberg*

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See also: Emilio Bacardi; Manuel Calvo; Antonio López y López; José Xifré.

Vagit Alekperov

Azerbaijani oil magnate

Alekperov began his involvement in the Russian oil business in his teens. He used imagination, aggressiveness, and savvy to move steadily upward in the industry hierarchy before founding one of the world's largest oil companies, becoming enormously rich in the process.

Born: September 1, 1950; Baku, Azerbaijan, Soviet Union
Source of wealth: Oil
Bequeathal of wealth: Unknown

Early Life

Vagit Alekperov (vah-JEET ah-lehk-PEH-rawf) was the youngest of five children born to an oil worker who died when Alekperov was a child. Alekperov began working at age eighteen at Kaspmorneft, a Caspian Sea oil production facility. While employed as an oil-drilling operator on a platform rig, he attended the Azerbaijan Oil and Chemistry Institute, earning a doctoral degree in 1974.

First Ventures

Alekperov worked for Kaspmorneft until 1979, moving up from engineer to production director. He then went to work at Surgutneftegaz, a large oil and gas concern in western Siberia, where he rose to a high executive position while earning a reputation as a hydrocarbon energy expert. In 1985, he accepted a job at Bashneft, a Russian oil refining company, where he directed a production facility in Siberia.

Two years later, Alekperov became chief executive at Kogalymneftegaz, an oil and gas facility with enormous reserves but poor production figures. Employing the best business tactics of both capitalism and communism—a capitalistic focus on the bottom line, combined with socialistic concerns for workers' comfort and safety—he quickly increased production of crude oil from 2 million barrels to 240 million barrels. Alekperov's efforts caught the notice of Soviet president Mikhail Gorbachev, who in 1990 appointed Alekperov the nation's deputy minister of oil and gas. In his new position, Alekperov became an outspoken advocate of vertical integration of state-owned industries.

Mature Wealth

In 1991, following the Soviet Union's dissolution and the ascent of Boris Yeltsin to the presidency of the new Russian Federation, state industries began to be privatized. Alekperov became president of a huge new oil concern formed from three of Russia's largest energy production associations: Langepasneftegaz, Uraineftegaz, and Kogalymneftegaz. By 1993, when Alekperov resigned his post as deputy minister of oil and gas, the unwieldy company name had been condensed to Lukoil, and the operation had become a private concern.

By 2009, thanks to Alekperov's administration, Lukoil was Russia's largest oil company—and the world's second largest behind Exxon—with more than twenty billion barrels of proven reserves. The fully integrated company, Russia's largest taxpayer, employed more than 100,000 workers who explored, drilled, refined, distributed, and retailed diesel fuel, gasoline, and kerosene. With Alekperov at its helm, Lukoil was the

Vagit Alekperov. (AP/Wide World Photos)

first Russian company to be listed on the London Stock Exchange, and it was later listed on the New York Stock Exchange. Lukoil was also the first Russian firm to acquire an American company, obtaining Getty Petroleum Marketing, Inc., and its thirteen hundred U.S. gas stations in 2000.

Alkeperov, who continued to serve as president of Lukoil and was named chairman of the board of directors in 2001, grew extremely wealthy, earning an annual salary of $1.5 million, supplemented by generous bonuses and ownership of a 10 percent block of Lukoil stock. He also owns a $20 million private jet, and according to *Forbes* magazine was the world's fifty-eighth-richest individual, with a net worth $10.6 billion in 2010.

Legacy

Alekperov and Lukoil became major political and economic forces in Russia, but their success has not always been smooth or without controversy. Alekperov has been accused of using his relationships with local political officials to create difficulties for foreign investors in order to gain shares in oil exploration projects for his company. Both he and his company have suffered setbacks. For example, as a result of the Iraq War, Lukoil lost a $2 billion investment in exploration rights in the West Qurna oil fields.

However, Alekperov has managed to survive these allegations and setbacks and continues to build his empire. In the early twenty-first century he diversified his business ventures, moving into banking and media, and Lukoil explored new markets in China and South America.

—*Jack Ewing*

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See also: George B. Kaiser; David H. Koch; T. Boone Pickens.

ALEXANDER VI
Italian pope

Living in the style of a secular Renaissance prince, Alexander VI disgraced his church by using the Papacy to amass great wealth.

Born: January 1, 1432; Jàtiva, Valencia, Aragon (now in Spain)
Died: August 18, 1503; Rome, Papal States (now in Italy)
Also known as: Rodrigo de Borja y Doms (birth name); Rodrigo Borgia
Sources of wealth: Inheritance; church
Bequeathal of wealth: Relatives; church

EARLY LIFE
Alexander VI was born Rodrigo Borja y Doms (rod-REE-goh BOR-jah ee doms), the favorite nephew of Pope Calixtus III. Borja's uncle adopted him, appointed him to numerous church positions, and sent him to the University of Bologna to study law.

FIRST VENTURES
When Borgia was twenty-five, Calixtus named his nephew a cardinal-deacon, and the next year Borgia was appointed vice chancellor of the church. Borgia held this lucrative position until his own elevation to the position of pope in 1492. In 1476, he was appointed bishop of Porto, and he was made dean of the Sacred College of Rome.

Despite his ordination to the priesthood, Borgia remained preoccupied with the accumulation of wealth, as well as the welfare of his family. A handsome man, known for his charm and love of frivolity, he fathered several children with several mistresses. He lived in a magnificent style, indulging his love of cardplaying and revelry.

MATURE WEALTH
Borgia was elected pope by a two-thirds majority on August 11, 1492, amid allegations, never substantiated, that he had bribed several cardinals to vote in his favor. He took the name Alexander to honor the pagan conqueror Alexander the Great, as well as the five previous popes with the same name. Intelligent and eloquent, he restored order to the city of Rome, which had been the scene of considerable violence and more than two hundred assassinations before he assumed the papacy. He ruled skillfully, constructing a plan to reform church administration. Deeply superstitious, in the manner of his time, he consulted astrologers and feared evil omens. However, his theology was orthodox Catholicism, and it was rumored that he prayed all day and caroused all night. His interests remained family, wealth, women, and the Church—in that order.

Alexander used the Papacy to advance the interests of his children, not only to help them but also to strengthen his own political power. His son Cesare Borgia, though only eighteen at the time, was consecrated bishop of several wealthy sees, and at nineteen was appointed a cardinal. Cesare's political intrigues would inspire Niccolò Machiavelli's political treatise, *Il principe* (wr. 1513, pb. 1532; *The Prince*, 1640).

Alexander also arranged three lucrative and politically influential marriages for his daughter Lucrezia Borgia, a celebrated beauty. He betrothed Lucrezia to

Alexander VI.

Giovanni Sforza, a member of the powerful family who ruled Milan, hoping that this union would connect the Sforzas and the Borgias. When Alexander no longer had political use for this marriage, he annulled it and arranged for Lucrezia to marry the son of the king of Naples, who was killed in 1501. Alexander then married his daughter to Duke Alfonso I of Ferrera, hoping that this union would further his political power in the Romagna region of Italy. To this end, Alexander encouraged his son Cesare to establish a powerful principality in the Romagna, the most politically contentious area of the Papal States.

Alexander declared a jubilee year in 1500, sending pilgrims and their gold flocking to Rome. The Church's sale of indulgences financed building projects, in addition to Cesare Borgia's military exploits. After crushing powerful Roman families, the Borgias seized their estates. Fortunes were further augmented by strategic assassinations and simony, the selling of church offices. Although the Borgias were rumored to be Marranos—Sephardic Jews who had converted to Christianity—Alexander freely confiscated possessions from Jews who had settled in Rome after their expulsion from Spain.

The pope found ways to increase his wealth at every turn, even stockpiling wheat and selling contracts to work alum mines. For a price, he issued dispensations to princes wishing to annul inconvenient marriages. He created new positions for cardinals, sometimes charging the recipients as much as 25,000 gold ducats. Although his lavish banquets, tournaments, and spectacles—not to mention the exploits of his children—were costly, the pope indulged himself fully. Because it was impossible to separate Borgia personal wealth from that of the Church, nobody has ever fully calculated his total fortune.

Alexander's abuses did not escape notice. Johann Burckard, a papal official, kept a detailed diary of the activities that transpired during Alexander's term as pope, and the document was useful for later biographers and historians. A more contemporary threat was the Florentine friar Girolamo Savonarola, who denounced the licentiousness and criminality of the pope, calling for a council to depose him. Although Savonarola was executed in 1498, the decadence of the papal court under the Borgias would prove a powerful weapon for the leaders of the Reformation that would soon divide Western Christendom.

Alongside his moral laxness and financial abuses, Alexander was one of his era's most significant art patrons, using some of the Papacy's money to hire artists who beautified the Vatican. He employed painters and architects to rehabilitate the Borgo Nuovo, the region around the Vatican. Alexander commissioned Michelangelo to design the rebuilding of St. Peter's Cathedral and employed architect Donato Bramante to build the Tempietto, a commemorative martyrium in the courtyard of the church of San Pietro in Montorio. The painter Pinturichchio decorated many of the Vatican's new and rebuilt apartments, creating a famous portrait of Alexander kneeling in adoration of the miracle of the Resurrection. Alexander's patronage also enabled Michelangelo to complete the *Pietà*, his sculptural depiction of Mary holding Jesus after the Crucifixion.

Alexander became seriously ill during a banquet he attended in 1503 and died shortly thereafter on August 18. Although it was rumored that he had been poisoned, modern scholars generally believe that he succumbed to a plague.

Legacy

Most Catholic historians designate the reign of Alexander VI as the lowest point in papal history, pointing to his financial corruption, immoral behavior, and political machinations. Still, Alexander's career was not without achievements. He reformed monasteries and encouraged Christian missions to the New World.

Of even greater significance was his patronage of painting and architecture. He restored Castel Sant'Angelo, which remains one of the architectural treasures of Rome. He hired prominent architects to design buildings in the Vatican and financed the work of Michelangelo and the painter Pinturicchio, among other artists. There have been more saintly popes than Alexander, but few popes have left so large an imprint upon the world's great art.

—Allene Phy-Olsen

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See also: Scipione Borghese; Agostino Chigi; Giovanni de' Medici; Lorenzo de' Medici; Jacopo de' Pazzi; Filippo Strozzi.

Paul Allen

American computer engineer, investor, and philanthropist

Allen left college to pursue his dream of technology and computers with his school friend Bill Gates. Together they changed how individuals communicate by founding Microsoft Corporation, a company that developed software for personal computers. Allen later became a multibillionaire well known for his business ventures and philanthropic support of diverse groups.

Born: January 21, 1953; Seattle, Washington
Also known as: Paul Gardner Allen
Sources of wealth: Computer industry; sale of products; investments; sports franchise
Bequeathal of wealth: Charity; educational institution; medical research

Early Life

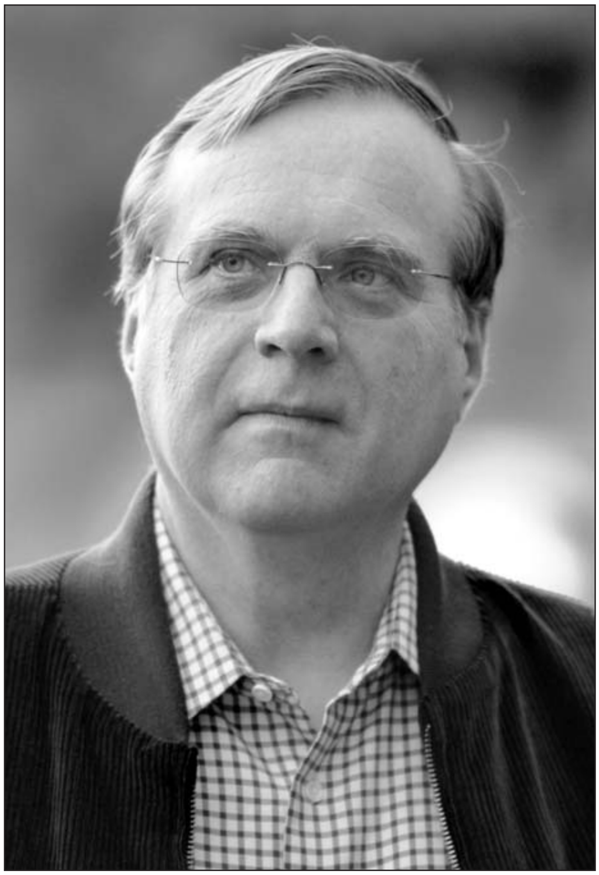
Paul Gardner Allen was born in 1953 to Kenneth S. and Faye Gardner Allen, hardworking people from humble backgrounds. Kenneth worked as an assistant director in the University of Washington library, while Faye taught elementary school. By the time Allen was born, they had achieved a comfortable middle-class status. Allen and his father enjoyed watching sports. Allen also loved to build model airplanes and perform science experiments; he wanted to know how things worked. His appreciation of music, especially of rocker Jimi Hendrix, would grow stronger over time. Allen attended Lakeside, a prestigious private preparatory school, where he shared an interest in computer programming with another student, Bill Gates. Allen was two years older and tall, while Gates was younger, shorter, and came from a privileged family background. With several other young men, they established the Lakeside Programmers Group.

First Ventures

Allen had a vision of linking people in what he termed a "wired world." After graduating from high school in 1971, he attended Washington State University for two years before dropping out to pursue his dream with Gates. Allen and Gates wanted to develop computer software for the new personal computers. They pooled their funds of about $360 to purchase an Intel 8008 chip in order to build a computer that provided traffic volume count analysis, a method of tracking the number of vehicles crossing a given location. Soon the young entrepreneurs started a computer company called Traf-O-Data to sell computers to users employed in traffic departments. They decided to close this company but would later use their technology in another way.

Allen worked for Honeywell International, Inc., as a computer programmer when Gates became a student at Harvard University. Allen read a cover story in *Popular Electronics* about theAltair 8800, one of the earliest successful personal computers that was developed by Micro Instrumentation and Telemetry Systems (MITS). Allen saw the potential in this microcomputer. He and Gates cowrote a Beginner's All-Purpose Symbolic Instruction Code (BASIC) software program for personal computers and started a new company, Micro Soft, in 1975, later changed to Microsoft. MITS started selling their software program.

Microsoft was incorporated in 1981. Allen led the technology side, while Gates negotiated contracts with business prospects. Microsoft was soon serving well-



Paul Allen. (AP/Wide World Photos)

known clients, such as Radio Shack, Texas Instruments, and Apple Computer, Inc., and the firm had sales of more than $1 million.

Mature Wealth

In 1980, Allen and Gates were contacted by International Business Machines (IBM) about programming for IBM's personal computers. About the same time, Microsoft purchased a computer operating system called Q-DOS for $59,000. Gates and Allen would further develop this system as MS-DOS, a universal personal computer operating system that became the primary product of choice at IBM. Around this time, Allen headed Microsoft's research and development efforts, helping to create the company's Microsoft Word software and Microsoft Windows operating system.

In 1982, Allen was diagnosed with Hodgkin's disease, a form of cancer that develops in the lymphatic system. Although he still worked in a limited way, he decided to retire from Microsoft in 1983. He spent time with his family and did the activities he loved, such as traveling and yachting. Allen continued to serve on Microsoft's board of directors and held a 13 percent interest in the company's stock. In 1985, his wealth was reported at $150 million, and before long his interest in Microsoft made him a billionaire. He resigned from Microsoft's board in 2000.

A knowledgeable investor, Allen bought stock in high-tech companies and other corporations, including America Online, CNET, USA Networks, Priceline.com, and Ticketmaster, and continued to hold stock in Microsoft. Some of his investments and business ventures paid off, while others did not. For example, Allen invested about $170 million in the Ticketmaster company and later sold it in 2002 for $586 million. In 1994, Allen spent $500 million to obtain a 24 percent interest in DreamWorks SKG, an American film and television studio cofounded by director Steven Spielberg. Allen's investment in the company soared to about $675 million within ten years, and some estimate that his share in DreamWorks may be worth as much as $900 million.

In 1993, Allen founded Starwave, a software and Web site company. Five years later, he sold this company to the Walt Disney Company for around $200 million. Allen owns Vulcan, Inc., which he founded with Jo Allen Patton in 1986. This multifaceted company seeks to change the world by improving people's quality of life through creativity. Vulcan has produced independent films, advocated the need for a sustainable environment, created interactive museums, and helped the community through the Paul G. Allen Family Foundation. In addition, Allen built the Experience Music Project and Science Fiction Museum and Hall of Fame in Seattle at a cost of around $240 million. Among other features, the museum contains exhibits about Jimi Hendrix and Michael Jackson.

The Allen Institute for Brain Science

The Allen Institute for Brain Science is a nonprofit medical research organization located in Seattle, Washington. Paul Allen, the cofounder of Microsoft Corporation, established the institute in 2003. The organization seeks to discover the workings of the brain and the brain's relationship to genes and to disease. Some of the institute's research focuses on understanding the brain's function in respect to cognition, language, emotion, and memory. In 2009, the institute was conducting research on genetic diversity in mice, transgenic mice, the human cortex, and sleep.

Allen's donation of $100 million to this research organization demonstrates his tendency to invest in what he terms "venture philanthropy," or major nonprofit efforts that reflect his passions and interests. Allen recognized that the government probably would not finance research connecting computer science with neuroscience and genomics, so he provided the seed money for the effort. The institute has since obtained additional contributions and solicits private and public donations and collaborations in order to fulfill its mission.

The Allen Institute for Brain Science provides free information for scientists, research hospitals, universities, and pharmaceutical and biotechnology companies. The organization's initial project was the development of the Allen Brain Atlas, an electronic database of gene expression in the mouse brain. In 2006, *Time* magazine listed the atlas as one of the top ten medical breakthroughs for the year. The atlas's Web site at http://www.brain-map.org enables users to assess the Allen Mouse Brain Atlas; Allen Developing Brain Atlas; and Allen Spinal Cord Atlas, a map of gene expression in the spinal cords of juvenile and adult mice. To create the atlas, researchers and scientists studied scans of ultrathin slices of brain tissue from mice and mapped every gene in a mouse's brain. These scans track the cellular level of more than twenty thousand genes in order to help scientists discover how the genes are turned on in various areas of the brain. Teachers can use the resources on the atlas's Web site to teach students about brain anatomy. Resources include a three-dimensional model to investigate the mouse brain and to view genome expression data in a virtual laboratory.

Allen enjoys his passions and pays for them. In 2003, he spent about $2 million for *Octopus*, a 416-foot yacht complete with its own permanent crew. *Octopus* is the fourth largest yacht in the world and contains two helicopters, a submarine, a music recording studio, and an ocean floor crawling vehicle. Allen also collects aircraft, such as his two Boeing 757's, and he spent $20 million to construct SpaceShipOne, the first privately owned rocket. His love of sports can be seen in his purchase of two franchises—the National Basketball Association's Portland Trail Blazers and the National Football League's Seattle Seahawks. His financial return on the Trail Blazers has been less than desired. After the team lost about $100 million in a single season, Allen revamped its management and sold players to create a better team.

In 2005, Allen's fortune was recorded at $20 billion, although by some estimates he has been worth as much as $30 billion. He suffered losses in the 2008 recession, and, according to *Forbes* magazine, his net worth was $13.5 billion in 2010, making him the thirty-seventh-richest person in the world and the tenth-wealthiest person in the United States.

In 2009, Allen was single and lived with his mother and sister in a forty-thousand-square-foot home on an almost eight-acre private retreat on Mercer Island, his hometown; his home is valued at $121 million. He is a guitarist and plays in a local band. Allen is known as a private man who rarely interacts with the media. In November, 2009, Vulcan, Inc., announced that Allen had been diagnosed with non-Hodgkin's lymphoma and had begun chemotherapy. Like Hodgkin's lymphoma, for which Allen was treated in the 1980's, non-Hodgkin's lymphoma is a cancer of the lymphatic system.

Legacy

Paul Allen was one of the pioneers of the personal computer industry, creating software and operating systems that would eventually be used by millions of people worldwide. He is also a generous philanthropist. For example, in 2003, he gave $100 million to the Allen Institute for Brain Science. The following year, Allen consolidated six charitable organizations into the Paul G. Allen Family Foundation, which has made donations of around $1 billion. According to some estimates, the foundation makes annual contributions of around $30 million. Allen also provided $5 million to the New Mexico Museum of Natural History and Science in Albuquerque in order to establish a microcomputer exhibit.

—*Marylane Wade Koch*

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See also: Steven Ballmer; Jeff Bezos; Sergey Brin; Mark Cuban; Michael Dell; Larry Ellison; Bill Gates; Steve Jobs; Gordon E. Moore; David Packard; H. Ross Perot.

Nuno Álvares Pereira

Portuguese military leader, aristocrat, and saint

A member of Galician nobility and a national hero of Portugal, Álvares Pereira was richly rewarded for outstanding military exploits that helped secure his country's independence from Spain. He was also the progenitor of the house of Bragança, which later ruled Portugal and Brazil.

Born: July 24, 1360; Bomjardim, Portugal
Died: April 1, 1431; Lisbon, Portugal
Also known as: Holy Constable; Brother Nuno of St. Mary; Saint Friar Nuno de Santa Maria Álvares Pereira
Source of wealth: Government
Bequeathal of wealth: Charity; dissipated

Early Life

Nuno Álvares Pereira (NOO-noh AL-var-ehz peh-RAY-ee-ruh) was the grandson of Gonçalo Pereira, the archbishop of Braga. Nuno was illegitimate, one of the many children of Álvaro Gonçalves Pereira, the grand prior of Crato. As an infant, Nuno was legitimized by royal fiat to enable him to receive an education appropriate for nobility.

At the age of thirteen, Álvares Pereira joined the army and quickly proved to be a brilliant, fearless tactician during running battles with invading Castilian forces. He was shortly thereafter made a knight of the realm, and he became a model of knightly virtue. At age sixteen, Álvares Pereira married a widow, Leonor de Alvim, daughter of João Pires de Alvim. The couple had two sons, who died when they were young, and a daughter, Beatriz, who survived to adulthood.

First Ventures

Upon the death of King Ferdinand I in 1383, Portugal was plunged into civil war. The population was divided between two possible successors: Fernando's daughter Beatrice, wife of King John I of Castile, and Fernando's brother John of Aviz, grand master of the Knights of Aviz. Álvares Pereira, who supported John of Aviz, was appointed a constable (commander) of Portuguese forces, and in this position he succeeded in fending off incursions by Castilians who disputed John of Aviz's succession. Greatly outnumbered, Álvares Pereira decisively defeated Castilian troops in several confrontations that culminated in an overwhelming victory in 1385 at the Battle of Aljubarrota, which secured Portuguese independence.

After ascending to the throne, John of Aviz (now King John I) named Álvares Pereira the third count of Ourém, second count of Arraiolos, and seventh count of Barcelos. Each hereditary title came with lands, castles and palaces, and their contents—prizes of great value.

Mature Wealth

Álvares Pereira continued to serve John I as military commander until 1411, when the Treaty of Ayton-Segovia ended the war between Portugal and Castile and Castile recognized John as Portugal's undisputed monarch. A devout Catholic often witnessed praying on the battlefield, Álvares Pereira was known for his religious devotion and exemplary lifestyle. He used much of his wealth to construct churches in Souzel, Monsaraz, Carmante, and other places. He erected a massive monastery in Lisbon, and he began construction of the magnificent Gothic-style Batalha Monastery.

After his wife died in 1387, Álvares Pereira did not remarry. In 1401, he gave the hand of his daughter, Beatriz, in marriage to Afonso, the son of John I and the duke of Bragança. After peace was restored to Portugal in 1411, Álvares Pereira began to give away his possessions to the needy, military veterans, and friends. In 1423, he renounced his titles and divested his remaining wealth to take vows as a monk, Brother Nuno of St. Mary, at the Carmelite monastery he founded in Lisbon. He died and was buried there eight years later, at the age of seventy.

Legacy

Nuno Álvares Pereira's immense treasure was willingly scattered by his own hand. The monastery he built in Lisbon was destroyed in the great earthquake of 1755, though other churches he constructed remained standing into the twenty-first century. His influence was of incalculable value to Portuguese history. Through his daughter Beatriz and her husband Duke Afonso, the house of Bragança was established. Bragança descendants would reign in Portugal from 1640 to 1910 and in Brazil from 1815 to 1889, and the house would be well represented in other European royal dynasties.

From his time to the early twenty-first century, Álvares Pereira has been honored as a hero in Portugal. The faithful attested to miracles associated with him, and a movement to have him declared a saint arose after his death. In 1918, Pope Benedict XV beatified Álvares

Pereira, and in 2008, Pope Benedict XVI proclaimed him Saint Friar Nuno de Santa Maria Álvares Pereira. His feast day is November 6.

—*Jack Ewing*

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See also: Diego Hurtado de Mendoza; Seventh Duke of Medina Sidonia; Juan Antonio Corzo Vicentelo.

Mukesh Ambani

Indian entrepreneur and industrialist

As the chairman and largest shareholder of Reliance Industries, Limited, Ambani greatly expanded this company founded by his father. He became the wealthiest man in the world in 2007, the first Indian to claim that title.

Born: April 19, 1957; Aden, Yemen
Also known as: Mukesh Dhirubhai Ambani
Sources of wealth: Inheritance; oil; manufacturing
Bequeathal of wealth: Unknown

Early Life

Mukesh Dhirubhai Ambani (mew-KESH dihr-OB-hi ahm-BAH-nee) was born in Aden, Yemen, in 1957, to Gujarati-speaking Hindu parents who soon moved to Mumbai, India. The next year, his father, Dhirubhai Ambani, established a small spice-trading company that eventually became a yarn manufacturer and then Reliance Industries. The family lived in a modest tenement apartment, and Ambani learned frugal habits that would stay with him into adulthood.

By the late 1960's, the business was thriving and the family moved to a wealthy neighborhood, but Ambani and his siblings were never pampered. Their father, who had not completed high school, insisted that they be educated and that they use public transportation and learn the everyday skills that working-class people need for survival. Ambani attended the Abaay Morischa School in Mumbai, and he then completed a bachelor's degree in chemical engineering at Mumbia's University Institute of Chemical Technology. The family spoke Gujarati at home—a habit Ambani never abandoned.

First Ventures

As the oldest son in a traditional patriarchal culture, Ambani was always heir apparent and was groomed to succeed his father. He was named a member of the board of directors of the ever-diversifying and expanding Reliance Industries while still in his late teens. In 1979, Ambani began a master of business administration program at Stanford University in California. When he was only halfway through the program, his father, who believed that business education was best obtained through working in business, called him home to set up a yarn factory in a small village. This was no small venture: Ambani, Sr., gave his son the equivalent of $100 million to start the project, sure that he could make a success of it. Ambani showed a talent for management and a willingness to involve himself in the gritty details that helped build loyalty among his workers. Under his guidance, the yarn business led to the manufacture of polyester fibers, which led to the development of a petrochemical business.

Mature Wealth

Dhirubhai Ambani was a legend, widely admired and beloved because he was seen to have succeeded through hard work and honorable dealings. When he died in 2002, Reliance Industries was a huge, publicly owned multinational corporation, dealing in industrial manufacturing, petrochemicals, electrical power, banking, biotechnology, and communications technology. After the founder's death, Ambani and his brother Anil fought for control of the company until their mother, a major stockholder, stepped in and divided the company into two independent entities. Ambani became chairman, managing director, and the largest shareholder of Reliance Industries, the largest business in India.

More reform-minded than his father or his brother, Ambani undertook enormous projects to help meet the energy demands of India's growing middle class and to

Mukesh Ambani. (AP/Wide World Photos)

help combat the enduring poverty of the lower classes. He engaged in deep-water offshore exploration for oil and natural gas to reduce the amount of energy India needs to import, and he built the world's largest oil refinery, part of a $6 billion complex at Jamnagar, in the state of Gujarat. He established a network of grocery stores and other retail stores to help poor farmers find markets for their goods and create jobs for middle-class merchants. These projects had significant social effects on the developing nation, while making handsome profits for Reliance. Ambani also owned the Mumbai Indians cricket team.

LEGACY

Ambani is often said to be the face of an emerging Indian capitalism. His derives his wealth from such modern industries as petrochemicals, telecommunications industries, and online gambling—and from success in the stock market. By reaching the top of the list of the world's wealthiest people, and by being ranked among the most respected business leaders in the world, he has inspired other Indians to believe that they—and their country—can succeed in the twenty-first century.

—*Cynthia A. Bily*

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See also: Ghanshyam Das Birla; Jamsetji Tata.

Amenhotep III

Egyptian royalty

Amenhotep III's wealth reflects ancient Egypt at the apex of its power and prestige throughout the ancient Near East.

Born: c. 1403 B.C.E.; Thebes, Egypt
Died: c. 1349 B.C.E.; Thebes, Egypt
Also known as: Amenhophis III; Amenhotep the Magnificient; Nubmaatre
Sources of wealth: Inheritance; trade
Bequeathal of wealth: Children

Early Life

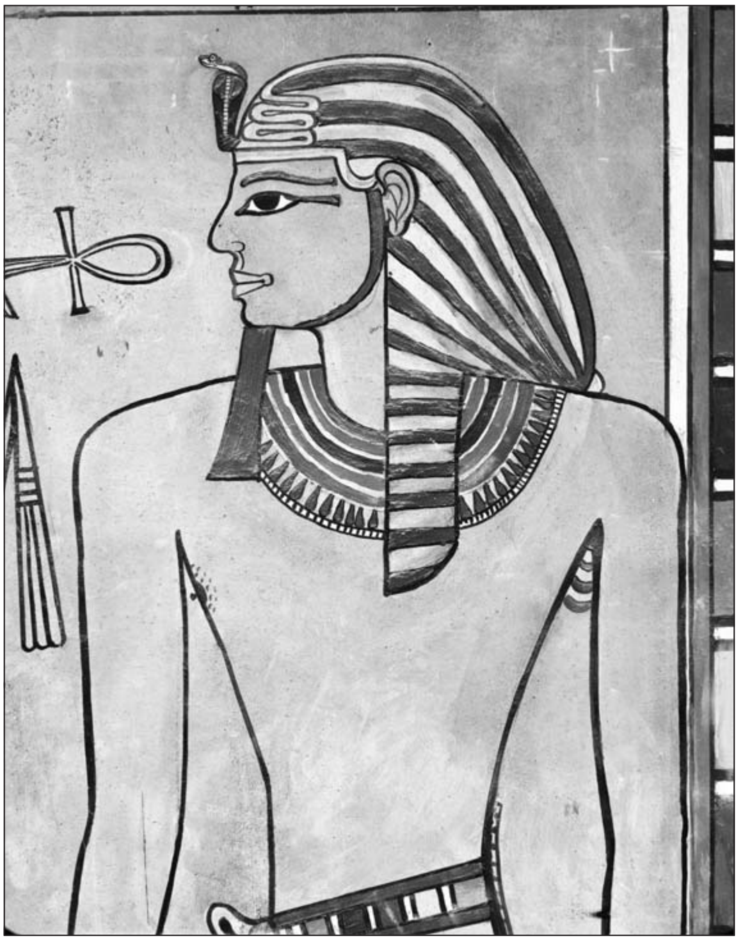
Amenhotep (ah-mehn-HOH-tehp) III inherited the throne of ancient Egypt from his father, Thutmose IV, whose reign had continued the successful policies of conquest and diplomacy that typified the vibrant Eighteenth Dynasty. At the time of Amenhotep's accession, Egypt stood at the head of an empire that included Egyptian outposts, tributary states, and closely aligned kingdoms directly bordering Egypt in Africa and extending into a significant portion of southwestern Asia. The extent of Egypt's domination can be attributed mostly to Amenhotep's great-grandfather, Thutmose III, whose conquests progressed up the Levantine coastline and concluded on the upper reaches of the Euphrates River in northern Mesopotamia. Following Thutmose III's successes, Amenhotep II and Thutmose IV(Amenhotep's grandfather and father, respectively) maintained Egypt's hold on these territories militarily and opened successful diplomacy with outlying regions that included the powerful Mesopotamian kingdom of Mitanni.

First Ventures

It is generally understood that Amenhotep was young when he began his reign, possibly as young as two and as old as twelve years of age. The stability of Egypt's empire at the time allowed him to enjoy a rule that lasted more than three decades and to live a luxurious life with little regard to military activity, concentrating his attentions on pleasurable activities. His marriage to a commoner, Queen Tiy, most certainly provided him the support of her family, which included several powerful figures in the Egyptian military. His wealth was based primarily on the religious understanding that the Pharaoh was the physical embodiment of the god Horus and therefore the master of all of Egypt and its resources. However, his wealth was augmented by the flood of goods that entered Egypt as a result of its extraterritorial holdings and network of allied states whose kings were referred to as "brothers."

Mature Wealth

While it is impossible to calculate precisely how wealthy Amenhotep III was, there are numerous indications of his estimable wealth from various sources. The breadth of his building program throughout Egypt attests to the extensive available resources of both materials and man-



A mural depicting Amenhotep III. (De Agostini/Getty Images) power that enabled him to leave his mark on the land—only hints of which still survive. However, those that survive include the monumental twin statues (commonly known as the Colossi of Memnon), which served as guardian figures to his memorial temple (now completely dismantled), which was said to have had "floors adorned with silver and all its doors with fine gold." He made extensive additions to the Temple of Amun at Karnak, which still stands as a testament to the grandeur of the age. In addition, the numerous discarded artifacts at Malkata, his palace complex near Thebes, indicate that the property covered no less than eighty acres. Commemorative scarabs found throughout the ancient Near East detail the killing of 102 "fierce lions" in just one of the several hunting expeditions that he enjoyed as a young man. Diplomatic marriages filled his harem with the sisters and daughters of the kings of Mitanni, Babylon (both in Mesopotamia), and Arzawa (in Anatolia). More explicit testimony regarding his wealth was provided by Tushratta, king of Mitanni, who noted that "in my brother's land gold is as plentiful as dust." The truth of such a statement is suggested by the staggering wealth of grave goods retrieved in 1922 from the tomb of Tutankhamen, the boy-king who ascended to the throne less than twenty years following Amenhotep's death.

Legacy

Amenhotep III's reign marked the high point of ancient Egypt's power. The wealth he enjoyed provided the economic basis for the reign of his son, Amenhotep IV, better known as Akhenaton, who famously attempted to impose the singular worship of the Aten (the disc of the Sun). As reflected in the diplomatic correspondence recovered from his capital at Amarna, Akhenaton's preoccupation with establishing his religious reforms kept him from responding to various challenges to Egypt's domination in the Levant. Nevertheless, Akhenaton's activities were well supported by his father's accumulated wealth, despite the troubles Egypt experienced in its larger empire. The richness of Amenhotep III's reign, though diminished by Akhenaton's inattention and Tutankhamen's minority, bridged the gap until Ramesses II of the Nineteenth Dynasty restored the basis for Egypt's international prominence.

—*Carlis White*

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See also: Cleopatra VII.

Walter Annenberg

American publisher and diplomat

Annenberg, son of disgraced publisher Moses Annenberg, redeemed the family name and transformed his father's failure into a $6 billion fortune. Before his death, Annenberg, through the Annenberg Foundation, gave $2 billion to learning institutions, and his philanthropy continues into the twenty-first century.

Born: March 13, 1908; Milwaukee, Wisconsin
Died: October 1, 2002; Wynnewood, Pennsylvania
Also known as: Walter Hubert Annenberg; Walter H. Annenberg
Sources of wealth: Inheritance; media
Bequeathal of wealth: Spouse; children; educational institution; museum; charity

Early Life

Walter Hubert Annenberg was the eighth child and only son of Moses and Sadie Annenberg, Jewish refugees from East Prussia, Germany, who immigrated to the United States in 1882, settling in Chicago. In 1906, Moses, Sadie, and their children moved to Milwaukee, where Moses (better known as Moe) distributed newspapers for publisher William Randolph Hearst. Walter was born with a withered right ear, causing partial deafness; he also stuttered and was extremely shy and sensitive. Moe attempted to help Walter become tougher by bringing home a boxing bag and encouraging athletic activities. Walter attended the German-English Academy in Milwaukee, a tough school for minds and bodies, from age six to twelve. In 1920, amid the World War I paranoia about anything German in Milwaukee, Moe accepted a huge promotion from Hearst and moved his family to New York.

FIRST VENTURES

The life that greeted Walter at the Great Neck, Long Island, estate that his father purchased from noted musician George S. Cohan was a clear indication of the Annenbergs' rising status. Walter enrolled at the Peddie School, a preparatory school in New Jersey. A mediocre student, between classes he placed orders with his father's stock brokerage firm. His teachers, believing he was a financial wizard, felt compelled to seek his advice. At the end of his senior year, Walter had made enough money to donate $17,000 to Peddie for an athletic running track.

Walter entered the Wharton School of Finance and Commerce at the University of Pennsylvania, which he found even more boring than Peddie. He avoided classes, spending time near a brokerage office and playing the stock market with relish. He obtained his father's permission to drop out of school and spend more time trading stocks. In eighteen months, Walter amassed a $3 million portfolio ($28.3 million at 2010 value). In the crash of 1929, Walter's $3 million vanished, and he was $350,000 in debt. Moe absorbed Walter's losses and forced him to swear he would never again trade recklessly.

MATURE WEALTH

Upon the death of his father in 1942, Walter Annenberg assumed total control of the Annenberg estate, which at that point was practically bankrupt. In 1940, Moe had been sentenced to three years in federal prison for tax evasion, but he did not serve out his entire sentence and

Walter Annenberg. (AP/Wide World Photos)

The Annenberg Foundation

Walter Annenberg established the M. L. Annenberg Foundation in memory of his father, Moses Annenberg, in July,1989, with a grant of $1 billion, one-third of the revenue from the sale of Triangle Publications. The foundation was the successor to the Annenberg School at Radnor, Pennsylvania, which Annenberg founded in 1958. The Annenberg Foundation aims to advance public well-being through improved communication. Toward that end, the organization has encouraged the development of effective ways to share ideas and knowledge.

The primary program areas of the foundation are education and youth development; civic, community, and environmental issues; and health and human services. The organization contributes funds to institutions, not individuals, and has made grants to public elementary and secondary school systems. Annenberg Media, a part of the Annenberg Foundation, promotes excellence in teaching by supplying free multimedia resources, video collections, and related interactive activities to schools, colleges, and communities. Annenberg Media programs are frequently viewed on Public Broadcasting System (PBS) stations and are designed for high school and university students.

Annenberg's gifts to educational institutions have become legendary. Between 1960 and 1998, he gave $177 million to the University of Southern California to establish and support the school's Annenberg Center for Communication. His generous gifts to the University of Pennsylvania from 1960 through 1998 amounted to $239 million and were used to finance the Annenberg School of Communication. His grants to his alma mater, Peddie School, between 1927 and 1998 totaled an astounding $131.6 million. He also gave $55.2 million to Northwestern University, $50 million to the United Negro College Fund, $25 million to Harvard University, and $10 million to the University of Notre Dame. Other universities received smaller amounts, ranging from several hundred thousand dollars to $5 million.

In 1993, Annenberg issued a $500 million challenge to initiate reform in some of the nation's largest and most troubled schools, both urban and rural. He proffered the $500 million for matching grants of two-to-one in some instances, and five years after his announcement of the gift, $500 million was donated by businesses, foundations, universities, and individuals.

Annenberg's interest in art inspired gifts to the Metropolitan Museum of Art for $165 million and an art collection valued at $1 billion in 1991, as well as grants to other art institutions in the United States and abroad. In addition to the arts grants, Annenberg gave $11.3 million to the Eisenhower Medical Center in California, $15 million to the United Jewish Appeal, and enormous amounts for presidential libraries.

Following Annenberg's death, the Annenberg Foundation was under the sole directorship of his widow, Leonore Annenberg, until her death in 2009. At that time, the foundation announced its move to California, leaving only a small presence at Radnor, Pennsylvania. A new director, Annenberg's daughter Wallis Annenberg Weingarten, assumed control of the organization.

was released in 1942. He died several weeks later. Having been groomed to take over the business since his birth, Annenberg had spent years enjoying the family's wealth and observing his father's methods, but suddenly he inherited very little money and also a debt of $5 million of the $9.5 million fine that the U.S. government had levied against his father. Annenberg was left his father's shares of stock in Triangle Publications, Inc., and control of the *Philadelphia Inquirer*, *Daily Racing Form*, the Massillon (Ohio) *Independent* newspaper, *Screen Guide*, *Radio and Movie Guide*, *Click* (a photo publication), and a small group of pulp detective magazines.

In 1944, Annenberg replaced *Click* with *Seventeen*, a "wholesome" magazine for teens. Pursuing a conservative policy, he ruled out advertisements for liquor, beer, cigarettes, bridal gowns, honeymoon suites, or hair coloring. Annenberg wanted *Seventeen* to encourage respect between teens and their parents. This popular magazine offered advice on fashion, beauty, etiquette and behavior, and it flourished under the editorship of Enid Annenberg, Walter Annenberg's sister, whose skills helped promote circulation to nearly two million. Within six years, advertising revenues climbed to $18 million.

Annenberg had two children with his first wife, Canadian Veronica Dunkelman, before their marriage ended in 1950. His second wife was Leonore (Lee) Rosenstiel, whom he married in 1951. At this time, he also began expanding his business. Since his father's death, Annenberg had managed to get his business affairs on solid financial footing, and he paid off the government fine. He and Lee began to build an art collection and turn their home, Inwood, in Wynnewood, Pennsylvania, into a place filled with fine art and furnishings.

By 1953, Annenberg had begun making plans for a television publication that would provide complete program listings and feature stories about people in the television industry. He bought *TV Digest* in Philadelphia, *TV Forecast* in Chicago, and *TV Guide* in New York, and to prevent anyone else from copying his idea, he persuaded other television magazine publishers to become franchisees of his publication, *TV Guide*. All his advisers had vetoed the idea of starting the television publication, but Annenberg, who operated largely by instinct, pursued the project, which turned out to be the best business move he ever made. The first issue, released for the week April 3-9, 1953, appeared in ten cities and sold 1,560,000 copies. Despite the fact that the number of circulation copies declined the following week and on through the summer, circulation expanded in the fall, and by late 1955, *TV Guide* was producing thirty-nine editions and boasting a circulation of three million copies weekly.

Passionately interested in converting the "vast wasteland" of television into high-quality programming, Annenberg began his experimental program, *University of the Air*, on his own television station, WFIL. At very little cost, he began broadcasting college courses throughout eastern Pennsylvania, Delaware, and southern New Jersey, with the cooperation of twenty-two colleges in the area that were pleased to put their best professors on the air. Annenberg's educational program eventually aired on five other television stations owned by Triangle Publications and garnered prestigious awards, including the George Foster Peabody Award, broadcast journalism's highest honor.

The following year, WFIL, an American Broadcasting Company (ABC) affiliate, transferred a popular local radio program, *Bandstand*, which consisted of a disc jockey playing popular music, to television, with instant success. Six years later, Annenberg moved Dick Clark, radio emcee of *Bandstand*, to a ninety-minute network television production of *American Bandstand*. The show began airing in 1957 and by its fourth week had become television's number one daytime program.

President Richard Nixon nominated Annenberg for the post of ambassador to the Court of St. James, and following a contentious hearing, Annenberg was confirmed in 1969. During his five-and-a-half-year stay in London, Annenberg was made an honorary member of the British Empire by Queen Elizabeth II. When he and Lee returned home, he began to consolidate his wealth. Having sold the Philadelphia *Inquirer* and the Philadelphia *Daily News* in 1969 to Knight Ridder for $55 million, Annenberg next divested himself of Triangle Publications, selling *Seventeen*, *TV Guide*, and other publications to Australian media magnate Rupert Murdoch for $3 billion. Devoting his efforts to his famed art collection and to running the Annenberg Foundation, Annenberg divided his time between Pennsylvania and his four-hundred-acre estate, Sunnylands, at Rancho Mirage, California. Annenberg died of complications from pneumonia October 1, 2002, at Wynnewood, Pennsylvania, at the age of ninety-four. His net worth was estimated at $6 billion.

Legacy

Annenberg's impulse for giving—a trait inherited from his mother—was apparent in his early career, when he helped some of his employees during lean times. As his wealth increased, he turned toward his two favorite interests, young people and education. Insisting that young people shape the character of the United States, he saw education as the key to the quality of their leadership as adults.

Although some of Annenberg's gifts were noteworthy for their "leverage"—meaning recipients were required to double or triple his contribution and, with the help of partners, raise more money—a great many others were outright gifts. Annenberg's generosity assisted schools for white and black students, sent much of his art collections to museums around the world, and provided donations for medical research and new hospitals, as well as bestowing money for community charities and presidential libraries.

—*Mary Hurd*

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See also: Barbara Cox Anthony; Lord Beaverbrook; Silvio Berlusconi; Michael Bloomberg; Anne Cox Chambers; Katharine Graham; William Randolph Hearst; John H. Johnson; Robert L. Johnson; John Kluge; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; Ted Turner; Oprah Winfrey.

Barbara Cox Anthony

American investor and philanthropist

As a director of the media empire Cox Enterprises, Anthony oversaw and inspired its expansion from a newspaper chain into the new arena of cable television and related communications ventures, without abandoning its original interests. The heir to a $12.4 billion fortune, she gave away up to half her annual income, sometimes anonymously, and often to causes for which she herself worked, such as education and animal health.

Born: December 8, 1922; Dayton, Ohio
Died: May 28, 2007; Honolulu, Hawaii
Also known as: Barbara Cox (birth name); Barbara Anthony Cox
Sources of wealth: Inheritance; media
Bequeathal of wealth: Children; relatives; educational institution

Early Life

Barbara Cox Anthony was born in Dayton, Ohio, in 1922, the second daughter of James M. Cox and his second wife, Margaretta Parker Blair. In addition to owning the *Dayton Daily News*, Cox had a notable political career, serving four years in the House of Representatives and three terms as governor of Ohio before running for president on the Democratic Party ticket in the election of 1920. After losing this race, however, Cox withdrew from electoral politics at the age of fifty and devoted himself to building a business empire.

Anthony grew up in a hilltop manor called Trailsend, located just outside Dayton. Her early years were privileged and apparently happy. Trails for walking and riding surrounded her home, and she loved competitive sports, such as tennis and the rodeo. The family accompanied her father when he traveled to Europe on appointive missions. President Franklin D. Roosevelt, who had been her father's running mate in 1920, visited Trailsend in 1940, and she remembered sitting in on their political discussions. There is no record of Anthony having attended college after high school graduation, but her experiences traveling and meeting important people of her time were unique for a midwestern teenager.

First Ventures

Anthony was the daughter of a self-made and determinedly pragmatic man who wanted to run everything he touched. It is not surprising that, already in possession of enough wealth to make her way in the world, she set out for Miami, Florida, in the early 1940's. There she met and married a young naval aviator, Bradford Ripley. Like many brides of this time, she lost her new husband in World War II. Still living in Miami, she then met and married Stanley C. Kennedy II, a member of the United States Navy demolition team (now the United States Navy SEALs) and the son of the founder of Inter-Island Airways (later Hawaiian Airlines). The couple moved to Hawaii in the late 1940's. Anthony, intrigued by the islands' natural beauty, never moved away. Her marriage to Kennedy produced two children, James and Blair. Although she traveled back and forth to Dayton in the late 1940's and 1950's to visit her parents, and presumably sat in on family business councils, her main focus during this time was on family members' needs and Hawaiian institutions.

In both arenas she continued to widen her activities as time passed. After she and Kennedy divorced, she married contractor Jimmy Glover; upon his death, she stayed actively involved in raising two stepchildren, Glover's son and daughter, as well as her own children. She maintained an interest in the Dayton Arboretum and served on various boards in Hawaii, but she kept a low profile in order to maintain her privacy.

Mature Wealth

Meanwhile, the Cox newspaper chain had expanded by buying two Atlanta, Georgia, newspapers, the *Atlanta Journal* and the *Constitution*, and several radio stations. The elder Cox died in 1957, leaving his son by his first marriage, James M. Cox, Jr., as head of Cox Enterprises. Under his leadership the company diversified into such ventures as business publishing, motion-picture production (it purchased Bing Crosby Productions in 1967), and automobile auction management, although the first two ventures were dissolved within a decade. The company's first tentative steps into cable television systems began in 1962 in Lewistown, Pennsylvania. Both Anthony and her sister Anne Cox Chambers of Atlanta served as active directors, as Cox Enterprises was determined to remain a family business. Virtually all its new enterprises were hugely profitable. When James M. Cox, Jr., died in 1974, he left 95 percent of his holdings to his two sisters.

By this time, Anthony had remarried again. Her husband, Garner Anthony II, a real estate and financial investor in Hawaii, became chairman of the Cox Enterprises, while she became chairwoman of Dayton Newspapers. As dual directors of the larger company, the Anthonys led it through a spectacular growth period, building it into one of the largest cable television providers in the United States and combining the separate newspaper and broadcasting companies under the Cox Enterprises' umbrella.

Other than chairing Dayton Newspapers, which of necessity was exercised largely on a long-distance basis, Anthony never served in an executive capacity of any profit-making company. However, because of her ownership position and dynamic personality, she was an effective and active director, keeping in touch with all major issues and generally having the right instincts about the companies' directions and futures. She preferred to hire good people to manage her companies and to trust them with the day-to-day operations. This being said, both Anthony and her enterprises were fortunate in having family members who were able to carry out the executive functions effectively. For example, in 1988, James Cox Kennedy, her son, became chairman and chief executive officer of the much expanded Cox Enterprises. One of his major ventures was the purchase of Trader Publications, a publisher of magazines and Web listings of cars, boats, and other items for sale nationwide.

Cox Enterprises doubled in value between 1992 and 1997, operating some three hundred separate businesses. Anthony herself regularly appeared on the *Forbes* magazine lists of the four hundred wealthiest individuals, with an estimated worth of approximately $12.6 billion in

La Pietra

Of all the states, Hawaii has the largest percentage of its elementary and secondary students in private schools. One of the most creative is La Pietra, with which Barbara Cox Anthony was associated almost since its inception. La Pietra is the only nondenominational all-girls' school in the state. The school is located in Honolulu, at the base of Diamond Head and on the grounds of the old Dillingham estate.

La Pietra opened in 1964 as Hawaii School for Girls, with Anthony and Lorraine Cooke as its original founders. Classes were held in Honolulu's Central Union Church for the first five years. The Dillingham villa, named "La Pietra" (meaning stone or gem in Italian), was left to the older, prestigious Punahou School by its owners, the Walter F. Dillinghams. However, Punahou did not want the estate and put it on the market, where it languished for a while. Eventually Cooke and Anthony raised the money needed to buy the house and grounds, and they engaged an architectural firm to draw up plans for converting the mansion into a workable school. A freestanding six-classroom building was added to the campus in 1976. The site itself was on or near an ancient temple site, where events crucial to Hawaiian history took place in the early 1800's.

Anthony served as chairwoman of the school's board of trustees for more than two decades. She was also the school's "angel," providing financial aid for approximately half of its enrollees, as well as funding for more general school needs. Her own daughter Blair attended La Pietra.

The school is small, and in 2009 it had a total enrollment of fewer than four hundred students attending grades six through twelve. It is primarily a college preparatory school, and in the early twenty-first century its curriculum placed increasing emphasis on technology. A laptop computer was issued to every sixth-grade student. Like many private schools, it keeps the teacher-student ratio low and takes pride in innovative courses. For example, classes are offered in computer animation, marine biology, and modern Asian history, subjects not even available at many colleges.

In early 2008, several La Pietra students attended the presidential inauguration along with their teacher, Maya Soetoro-Ng, the sister of incoming President Barack Obama. La Pietra's benefactor might be gratified at this latter-day connection of her favorite school with the White House.

her later years. She was the only resident of Hawaii who was a billionaire.

In addition to her strictly business interests, Anthony invested in several ventures which, while profitable, also tied into her particular enthusiasms. In girlhood she had competed in rodeos, and her continued love of animals and nature led to ownership of a 7,500-acre ranch on the slopes of Mount Hualalai, Hawaii, devoted to the breeding of Gertrudis cattle and the production of kona coffee and cut flowers. Another large ranch operation, the Winderadeen Corporation, with cattle, quarter horse, and sheep production, was established in Australia after her daughter Blair Parry-Okeden moved there.

Anthony loved sports and was physically active through her later years, snow skiing and playing tennis even after joint replacement surgery. She died in 2007, a month after suffering a stroke.

Legacy

Anthony was more known in Hawaii for her philanthropy and work on charitable boards than for her business success. Although she preferred to make many gifts of her money anonymously, her work with such institutions as the La Pietra school, a children's hospital in Honolulu, and many other educational and health care institutions was substantial and public. She did not confine her philanthropies to Hawaii. She endowed two faculty chairs, in oncology and equine orthopedics, at Colorado State University, and another chair at the University of Sydney. Her ties with Dayton, Ohio, led to support of numerous college scholarships for Miami Valley high school graduates and to a children's medical center in Dayton, which later bore her name.

Unlike her sister Anne Cox Chambers, Anthony stayed largely out of her family's traditional involvement in electoral politics. However, she did serve as a member of the Democratic Senatorial Campaign Committee and of Senator Bill Bradley's presidential campaign in the 1999-2000 preprimary season.

Anthony's life exemplified many of the qualities prized by those who extol the American ideal of free enterprise: responsible stewardship of inherited wealth; growth of a family fortune through careful management and investments in related industries; and diverse philanthropic efforts with personal involvement, as well as the giving of money. Her fortune, which passed to her heirs, seemed poised to remain intact, if not grow further, under the management of the family's younger generations. Perhaps the most noticeable impact of her work was the importance of Cox Communications and Cox Broadband in the lives of many Americans, who relied on these companies as their links to the communications media.

—*Emily Alward*

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See also: Walter Annenberg; David and Frederick Barclay; Silvio Berlusconi; Michael Bloomberg; Anne Cox Chambers; Katharine Graham; John H. Johnson; Robert L. Johnson; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; Ted Turner; Oprah Winfrey.

Elizabeth Arden

American cosmetics magnate

Arden used her early wealth to grow her line of cosmetics and open an ever-increasing number of salons and spas, thus making her brand one of the first highly successful, woman-owned businesses. This foresight ultimately made her one of the world's richest entrepreneurs.

Born: December 31, 1884; Woodbridge, Ontario, Canada
Died: October 19, 1966; New York, New York
Also known as: Florence Nightingale Graham (birth name); Elizabeth N. Graham
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Relatives; employees

Early Life

Elizabeth Arden was born Florence Nightingale Graham in Woodbridge, Ontario, Canada, on December 31, 1884, the fourth of five children born to tenant farmers who had emigrated from Great Britain. Lacking the financial resources for college, she dropped out of high school but later enrolled in nursing school in Toronto. Despite the name "Florence Nightingale" (a famous nurse during the Crimean War), she soon realized that nursing was not the career for her.

Arden left Canada for good in 1908, living first with her brother, William, and getting her first taste of the cosmetics business. She married Thomas J. Lewis in 1915 and became an American citizen. Lewis acted as her business manager. After nearly twenty years of marriage, the couple divorced. She followed that with a two-year marriage to a Michael Evlonoff, a Russian prince.

First Ventures

Arden became convinced that women would be willing to spend large sums of money to enhance their looks, and she began developing creams in her spare time. She opened a salon with Elizabeth Hubbard but soon became the sole proprietor. Believing the name "Florence Nightingale" evoked the wrong image for a salon, she changed it to Elizabeth Arden. Some say she used her former partner's first name; others believe she borrowed the name from Elizabeth I, queen of England. The surname "Arden" came from the poem *Enoch Arden* by Alfred, Lord Tennyson.

Arden traveled to France to study beauty and massage techniques used in the upscale Paris salons so she could offer her clientele the best services. She introduced eye makeup to the United States, and hers were the first salons to offer cosmetic makeovers, a marketing ploy still practiced in the beauty industry. From the start she understood the importance of spending money to make money and had the fortitude to make moves others would have deemed too risky.

Mature Wealth

By the 1930's, Arden's meteoric growth included salons in Europe and South America, as well as the United States and Canada. She concluded, correctly, that even in the most difficult of times, women who were able would continue buying beauty enhancement products. Her European ventures put her under suspicion of the Federal Bureau of Investigation (FBI) and the agency's director, J. Edgar Hoover, during World War II amid false rumors that the salons were used as fronts for Nazi Party operations.

Elizabeth Arden. (Hulton Archive/Getty Images)

Elizabeth Arden, Inc.

Elizabeth Arden, Inc., could have died with its founder. Elizabeth Arden remained sole owner until her death in 1966 at age eighty-one, and because she considered herself to be the company, she never made concrete plans for it to outlive her.

To a large extent she *was* the company. Her attention to the tiniest of details, such as calling her establishments "salons" instead of "parlors," conjured an image of upper-class wealth guaranteed to reach her target market. She changed her name, intuitively knowing the name she attached to her business should reflect the type of clientele she expected to attract. In her mind her birth name, Florence Nightingale, sounded like the name of a health clinic. Her instincts were proven correct when her early patrons included a veritable who's who of money and influence.

She made sure all of her employees were trained in cosmetic application techniques that enhanced a woman's natural beauty, so her clients never appeared to have "clown faces" or wore makeup that in any way looked artificial. She might be accused of micromanaging, but her hands-on approach made the company so well known that a late 1930's reporter wrote, "only three company names are known everywhere in the world: Coca-Cola, Elizabeth Arden and Singer [sewing machines]."

Following Arden's death the company went through a succession of owners, the first being pharmaceutical giant Eli Lilly and Company. The business changed hands twice more before its acquisition by Unilever PLC in 1990, where it became part of the conglomerate's Prestige Personal Products Group, which also included Calvin Klein's fashion and beauty products. The company was sold again in 2001, this time to FFI (formerly known as French Fragrances, Incorporated) for about $190 million in cash, plus company stock that allowed Unilever 18 percent ownership. By then annual sales were approximately $890 million. In 2010, Elizabeth Arden, Inc., was a publicly owned, independent company.

Over the years the company has capitalized on the public's obsession with celebrities, adding brands, such as actor Elizabeth Taylor's fragrances, and using movie stars to advertise its products. Hollywood beauty Catherine Zeta-Jones, who in 2009 was the "face" of Elizabeth Arden, epitomized the company's concept of the modern woman: beautiful, talented, and successful in her own right. While these actors can by no means be considered average, it is to the company's credit that it chose to be represented by mature women, not girls still in the fresh bloom of youth. The company has become more community-minded over the years and contributes heavily to causes, including AIDS (acquired immunodeficiency syndrome) research and child welfare. Elizabeth Arden, Inc., is, and has always been, opposed to testing its products on animals.

Ever alert to new marketing possibilities, Arden developed a lipstick she named Montezuma Red to match the red trim on the uniforms of women in the armed forces, thus subtly planting the seed that wearing makeup to work was both acceptable and desirable.

The phenomenal success of Arden paved the way for other women to succeed in the beauty business, notably her first competitor, Helena Rubinstein. Their legendary rivalry lasted for decades, fueled in part when Arden's former husband, Thomas J. Lewis, went to work for Rubinstein following their divorce. Rubinstein had acted in retaliation after Arden recruited her sales manager. That both women courted the same customers, and both succeeded, shows the scope of the industry Arden began. In the years that followed, Estée Lauder and others joined the industry that seemingly had no bounds.

From the earliest days of her career, Arden knew the socially privileged were her target market. By consistently developing exceptional products for that segment, she created a client list that included First Ladies Mamie Eisenhower and Jacqueline Kennedy, Queen Elizabeth II, the Queen Mother, and the almost royal Wallis Simpson, along with the elite of mid-1900's Hollywood and Broadway. In the 1940's, her annual sales reached $60 million.

Diversification became the key to her company's growth, and, by association, the growth of her own substantial wealth. She began adding millinery and fashion to her mix of products and services. Oscar de la Renta was one of her first designers. Not content with salons alone, Arden turned her limitless energy to developing resort spas where women could be pampered for several weeks or longer. Her first spas were in New York and Arizona. She was ahead of the curve in other ways as well: She was the first, for example, to produce fragrances for men and to open a men's boutique.

Arden indulged in another love, horses, and bred thoroughbreds, leading some to say she built her wealth on fast horses and rich women. Her horses included Jet Pilot, the 1947 Kentucky Derby winner. She used the name

Elizabeth N. Graham in racing circles and owned close to 150 horses. In 1945, her Maine Chance Farm took in more prize money than any other American stable. After her death, Arden was inducted into the Canadian Horse Racing Hall of Fame. She approached racing as she approached everything else—with total commitment—a living testament to one of her advertising slogans: "Hold fast to youth and beauty." She named her first (and America's first) fragrance "Blue Grass" after the Kentucky horse country surrounding her farm near Lexington.

Arden was above all a hard-driven businesswoman, with her hand in virtually every slice of her empire's pie. Even so, she strove for an illusion of softness, probably to appear less intimidating. Whether it was due to the nature of her company, or just something she deemed a good business strategy, she retained a public persona of femininity. One way she accomplished this was by making pink her signature color, even to the extent of using it as one of her stable's racing colors.

Arden died on October 19, 1966, in New York City, still the grande dame of the cosmetics industry. She is buried in Sleepy Hollow, New York, under the name Elizabeth N. Graham, a combination of her birth and professional names and the name she used in horse racing.

Legacy

One of Elizabeth Arden's legacies is bringing the use of cosmetics into the mainstream. Formerly, such products were used primarily by actresses, prostitutes, and other women commonly looked down upon. Arden and others following in her footsteps, including rivals Helena Rubinstein and Estée Lauder, made it acceptable for a woman to enhance her appearance, and in so doing enhance her self-esteem. Her Red Door Salons, each with a uniformed doorman, serve a worldwide, upscale clientele, but less privileged women can buy lower-cost alternatives at their neighborhood drugstores. Once cosmetics gained acceptability, they paved the way for companies like Revlon, Max Factor, and the door-to-door marketer Avon Products, Inc.

As one of the first women entrepreneurs to achieve great wealth in a business climate dominated by men, Arden opened the door, if only a crack, for women who entered business, irrespective of their chosen industry. She proved conclusively that with a marketable idea, good business instincts, and dogged determination, there are no limits to what one can achieve.

—*Norma Lewis*

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See also: John H. Johnson; Anita Roddick; Helena Rubinstein; Jay Van Andel; Madam C. J. Walker.

Sir Richard Arkwright

British industrialist and inventor

Arkwright was an archetypal self-made man who acquired great wealth by exploiting an invention of his own making in his own factories, thus becoming a key contributor to the Industrial Revolution of the eighteenth century. He also won considerable fame by virtue of the ostentatious deployment of his wealth in buying land and building a castle fit for one of the new kings of industry.

Born: December 23, 1732; Preston, Lancashire, England
Died: August 3, 1792; Cromford, Derbyshire, England
Sources of wealth: Manufacturing; patents; real estate
Bequeathal of wealth: Children

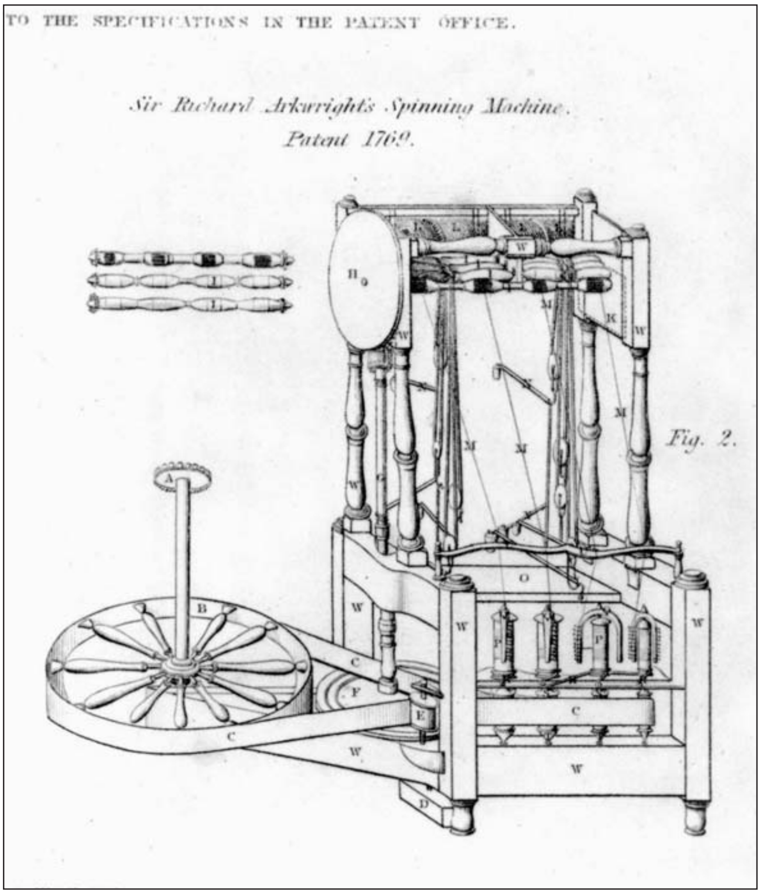
Early Life

Sir Richard Arkwright was the sixth of seven surviving children of Thomas Arkwright and Ellen Arkwright (née Hodgkinson). The family was poor and Arkwright received little formal education, although two of his elder sisters attended a blue coat (charity) school and passed on what they learned to their siblings. In his early teens he was apprenticed to a barber in the town of Kirkham, but he moved to Bolton-le-Moors in 1750 to work for the wig maker Edward Pollit. He continued to work for Pollit's widow for a short time, but by 1755 he had set up a barber's stall in a passage leading to an inn, shaving chins for a penny. On March 31 of that year he married Patience Holt, the daughter of a schoolmaster, and borrowed £60 from her father in order to expand his business. The couple's only child, also named Richard, was born on December 19, 1755. The marriage does not appear to have been happy; when Patience died on October 6 in the following year, she was buried with her mother under her maiden name.

On March 21, 1761, Arkwright married Margaret Biggins of Pennington, and he repaid the debt he owed his first wife's father with the bulk of an inheritance that she had received; he invested the rest in an inn, the Black Boy, whose publican he became. The business failed, and he returned to wig making, also dabbling, as most eighteenth century barbers did, in bleeding (a surgical practice) and tooth extraction. He began buying hair on a large scale, ostensibly making use of a secret dyeing technique in making his wigs. Margaret bore three children, one of whom—Susanna, born on December 20, 1761—survived into adulthood.

First Ventures

The device that made Arkwright's fortune mechanized one of the oldest traditional crafts, spinning yarn. Arkwright's spinning machine, subsequently known as a water-frame once it was adapted for use in association with a water mill, was not the only such device invented at the time; James Hargreaves's spinning jenny was virtually contemporary. Arkwright, however, was a deter-



Sir Richard Arkwright's yarn spinning machine helped mechanize textile production. (Library of Congress) mined opportunist who carried his machine all the way through the developmental process to full-scale industrial production. Arkwright's invention was understandably shrouded in secrecy and was embroiled in controversy from the start.

The search for such a process had been urgent for some time, but an earlier machine patented by Lewis Paul and John Wyatt in 1738 had proved impracticable. Thomas Highs of Leigh subsequently claimed to have devised the innovations that he carelessly confided to Arkwright in conversation. However, what is certain is that in 1767, Arkwright formed an association with a clockmaker named John Kay (sometimes mistakenly confused with another John Kay, who invented the fly-shuttle), who made him a model of a spinning machine, for which they began to seek financing.

After failing to find backers in Manchester and Preston, Arkwright and Kay took two of their relatives, the former publican John Smalley and the merchant David Thornley, into partnership in order to build and exploit a full-scale machine in Nottingham. They petitioned for a patent on June 8, 1878, but it was not granted until July 3, 1769, perhaps because they had trouble scraping together the money to pay the fee. Thornley had to sell part of his share to Smalley when his own capital ran out, and a new fifth share in the association was taken by Samuel Need and Jedediah Strutt, who provided the financing necessary to construct a horse-drawn mill, to be managed by Arkwright and Thornley.

The Nottingham mill did not start production until Christmas, 1772, by which time the partners had already commissioned the construction of a new mill on the River Derwent at Cromford in Derbyshire, driven by water power. The original intention had been to spin yarn for stockings (Strutt was already involved in that trade), but the yarn produced by Arkwright's machine was thin enough and strong enough to serve as the warp on a loom, so the Cromford mill began to produce calico, with an efficiency that astonished its owners and their rivals. Arkwright set up his headquarters there and began to expand his operation relentlessly. Strutt joined forces with other entrepreneurs to lobby Parliament to reduce excise duties on British cotton goods. When they were successful, the profits made by Arkwright's Cromford mills increased rapidly, and the company set out to dominate the trade, applying for further patents that would have established a virtual monopoly. The result of these moves was an intense competition, which was also reflected within the partnership as Arkwright attempted to squeeze out his associates.

Mature Wealth

Arkwright's legal wrangles came to a head in July, 1781, when he sued nine other manufacturers for breaching his patents. It was during this period that Highs came forward to lay charges of theft against Arkwright—charges that were never substantiated, but probably contributed to the eventual result of the conflict, which was the cancellation of Arkwright's patents in 1785. By that time, however, most of Arkwright's original partners were dead and he had become exceedingly rich, thanks to the huge profits he had made during the previous decade from his Cromford mills. The cancellation of the patents initiated a free-for-all that brought about a boom in the cotton industry throughout the north of England, but Arkwright never lost the crucial commercial advantage he had gained before his patents were canceled, and he remained the largest manufacturer in the country.

Arkwright was just as desperate to make social progress as economic progress, although he labored under the handicap of a personality that did not allow him to make friends easily and often alienated those he had. He was deeply resented by the landed gentry of Derbyshire, who mocked him relentlessly as an upstart when he bought Willersley Manor, near Cromford, in 1782, but if he cared he did not show it. When his daughter Susanna married the lead merchant and iron manufacturer Francis Hurt, he was able to give her a dowry of £15,000. His increasing political influence within the country reached a climax when he was knighted in 1786 and subsequently became high sheriff of Derbyshire.

In 1788, Arkwright involved himself in a project to construct a Cromford canal, but it soon ran into difficulties, allegedly because of his attempts to monopolize the project and its anticipated profits. His reputation for avarice and ostentation reached its zenith soon thereafter. Arkwright bought the manor of Cromford itself in 1789, and he promptly commissioned the construction of a grandiose stately home, which he named Willersley Castle. The traditional gentry were horrified by the prospect, and abusive comments were made about the priorities of its design; its library was said to be exceedingly small and ill-lit, and the whole enterprise was sometimes called a folly. However, it actually turned out to be a fine house, by no means tasteless in its architecture or furnishing. Arkwright bought a town house in London in the same year, although he actually lived for the greater part of his later life in Rock House, situated on a hill overlooking his Cromford mills.

In 1790, Arkwright introduced the first steam engine into his works at Nottingham, thus completing the foundations of the revolution in textile production that changed the face of England in the early nineteenth century. The *Gentleman's Magazine* estimated his fortune at the time of his death to be "not far short" of £500,000, but that was a guess; his family kept the details of his inheritance to themselves, and the sum did not include his various properties.

Legacy

Although he suffered all through his life from asthma, Arkwright insisted on working from 5:00 A.M. to 9:00 P.M. every day, and his industry became legendary. He became a heroic role model to the industrialists who followed him, but he also became a villain in the eyes of subscribers to the "rage against the machine" carried forward by active Luddites and the Romantic writers, who tended to equate industrialization with spoliation. One of his mills was said to have been demolished by rioters while police and military forces looked on sympathetically, although the reports might have been exaggerated. He was in any case unmoved by opposition of any sort. He was in essence a man who successfully reinvented the wheel—spinning being for most of its history at least as significant an application of the wheel as wheeled transport, whose utility was limited until roads improved sufficiently to accommodate such vehicles.

—*Brian Stableford*

Willersley Castle

As he approached the age of sixty, Sir Richard Arkwright commissioned the architect William Thomas to design for him a stately home on a sixty-acre site overlooking the valley of the River Derwent at Cromford, where his chief mills were situated. Construction began in 1790. The residence is a two-and-a-half-story edifice constructed in sandstone, with seven principal bays and two wings jutting out toward the edge of the cliff, equipped with fake battlements and a series of mock-turrets. The principal internal feature of note is the glass-domed Well Gallery in the center of the building, approached via an archway designed and supplied by the prestigious firm of Robert and James Adam. The fireplaces in the principal ground floor rooms were also supplied by the Adam brothers, who also sold Arkwright his London town house. The furniture for Willersley Castle was ordered from Edward Wilson of The Strand in London, and the luxury plate glass was imported from France.

Work on the "castle" was almost completed when a fire on August 8, 1791, destroyed the interior, and the shell of the building had to be completely restored—work undertaken by Thomas Gardner and Edward Blore. They had not finished when Arkwright died in 1792, and it was his eldest son, also named Richard, who eventually took up residence in the house in 1796. It was subsequently handed on to Arkwright's third son, Peter, whose descendants lived there until 1925. In 1927, the house was refashioned by the Wesley Guild, a group of wealthy Methodist businessmen, for use as a holiday center. It was used as a maternity hospital during World War II and then reverted to its use as a hotel, operated by an organization subsequently known as the Christian Guild.

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See also: Moses Brown; Francis Cabot Lowell; James Morrison; John Rylands; Samuel Slater.

GIORGIO ARMANI

Italian entrepreneur and fashion designer

Armani founded a fashion empire and is the most successful Italian designer in history. A very private person, he devotes his time to running his business and charity.

Born: July 11, 1934; Piacenza, Italy
Source of wealth: Sale of products
Bequeathal of wealth: Charity

EARLY LIFE

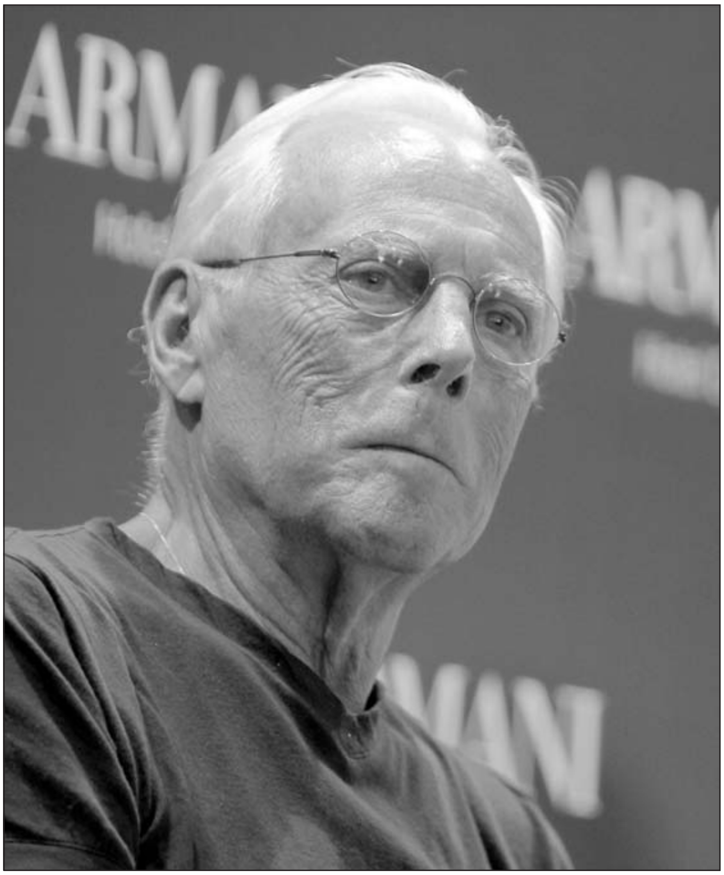
Giorgio Armani (JOR-jee-oh ahr-MAHN-ee) was born in rural Piacenza, Italy, to a hardworking family. His way to escape World War II, which claimed the lives of several friends and caused him and his sister to be strafed, was going to the cinema, where he developed his love of fashion, particularly from the 1930's. After the war the family moved to Milan and Armani began studying medicine, which he hated. In 1957, he returned to Milan after completing military service. An interest in photography led to a job at La Rinascente, Milan's largest department store. On the basis of his photographs of his sister, Armani was hired as a window dresser, his first job in fashion.

FIRST VENTURES

In 1961, Armani began working for Nino Cerruti, designing menswear for the Hitman line. In 1970, Armani left Cerruti to open a new business with Sergio Galeotti, his business partner until Galeotti's untimely death in 1985, freelancing and marketing his own designs. His first major collection, shown in Florence in 1973, included leather as an everyday fabric. This success led to the 1974 creation of his own label, Giorgio Armani S.p.A. menswear, followed in 1975 by his women's wear line. Armani's designs are characterized by his love of sophistication and comfort. Basing women's wear on menswear, he revolutionized the structure of suits and was instrumental in introducing menswear fabrics into women's wear lines. He is credited with the creation of the unstructured suit and the power suit. In 1980, Armani became world famous after designing the clothes for the film *American Gigolo*, starring Richard Gere.

MATURE WEALTH

Capitalizing on *American Gigolo*, Armani opened his first store in 1982, Emporio Armani Milan. He encouraged film stars to wear Armani clothes at the Academy Awards, ushering in the trend of designer-dressed actors on the red carpet. In 1982, Armani graced the cover of *Time*, the second fashion designer ever so honored. The 1980's began a decades-long period of continuing growth for Giorgio Armani S.p.A. and his personal fortune. Although Galeotti's death devastated Armani, he threw himself into work, diversifying and designing eyewear, blue jeans, prêt-à-porter, haute couture, accessories, perfume, underwear, and foodstuffs, while maintaining his original men's and women's wear lines. Armani took over many Italian fashion businesses, such as the knitwear firm Deanna S.p.A, Simint manufacturing company, and Guardi shoemakers. Armani loves cinema, and



Giorgio Armani. (AFP/Getty Images)

he has designed wardrobes for more than two hundred films.

The 2000's saw a move from purely clothing- and accessory-based designs to a greater interest in large-scale fashion. Having helped to design worldwide Armani retail sites, he developed the Armani Home collection of household furnishings. In 2005, he contracted to build and design a group of resort hotels, beginning in Dubai. Throughout his career Armani has retained total financial and creative control of his empire, making it one of the only fashion houses to be owned by a single person. Armani is a self-professed workaholic whose personal wealth was reported in 2010 at $5.3 billion, making him number 144 on *Forbes* magazine's list of the world's billionaires. His company grosses $1.69 billion annually.

LEGACY

Armani contributes to many charities, focusing on the arts, children, refugees, science, and the environment. He cofounded the Martin Scorsese Cinema Foundation to save old films. His work supporting international refugees led to an ambassadorship with the United Nations High Commissioner for Refugees (UNHCR). He has donated money to build and restore theaters, museums, research facilities, and medical centers. Since the 1990's he has worked for many environmental charities, including musician Bono's Project Red and Don't Bungle the Jungle. He has raised millions of dollars through the sales of T-shirts and other products specifically designed for charities, such as the UNICEF (United Nations International Children's Emergency Fund) Armani doll. He built a breeding facility in Seoul in order to help save the Korean tiger. One of the most honored fashion designers, Armani spends his time continuing to design and to help the less fortunate around the globe.

—*Leslie Neilan*

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See also: Jan Antonín Bat'a; Ralph Lauren; Kokichi Mikimoto; Gloria Vanderbilt.

PHILIP DANFORTH ARMOUR

American industrialist and philanthropist

Armour, cofounder and chairman of Armour & Co., introduced modern and innovative technology and production methods to large meatpacking operations. Armour & Co. was among the largest employers in Chicago's historic stockyards and meatpacking industry. He used his wealth for philanthropic and educational ventures, founding the Armour Institute of Technology, later renamed the Illinois Institute of Technology.

Born: May 16, 1832; Stockbridge, New York
Died: January 6, 1901; Chicago, Illinois
Source of wealth: Sale of products
Bequeathal of wealth: Children; charity; educational institution

EARLY LIFE

Philip Danforth Armour was born in 1832 in Stockbridge, New York, the fourth of eight children of Danforth Armour and Juliana Brooks Armour. Danforth left Connecticut to run a rural New York family farm, where his children learned to slaughter cattle and produce soap from the fats. Armour attended the local Methodist church with his family and went to school in the nearby towns of Valley Mills and Cazenovia. He worked as a farm laborer for his family and neighbors, clerked in a store, and was employed as a driver on the Chenango Canal in New York, which connected the Susquehanna River to the Erie Canal. In 1852, he borrowed a wagon from the family and headed to California, lured there by the gold rush.

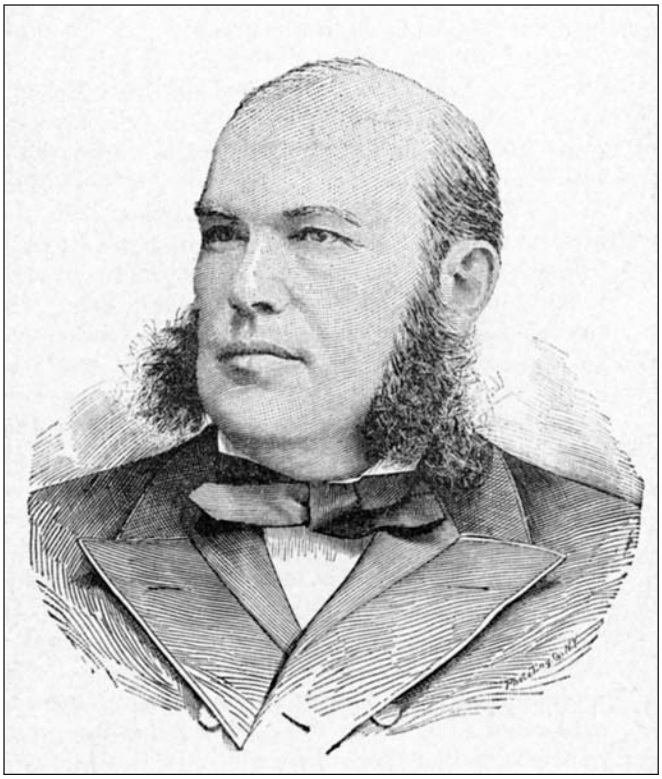
FIRST VENTURES

Armour was a determined entrepreneur. In the Sacramento Valley of California, Armour developed and leased aqueduct systems (sluiceways), bringing water to gold diggers and washers, which proved more profitable than mining. Returning east, he worked briefly in Milwaukee, Wisconsin, operating a soap business, then in St. Paul, Minnesota, where he partnered with James J.

Hill, selling hides, then returned to Milwaukee and founded a grocer provisions firm with Frederick B. Miles. In 1862, he visited Cincinnati, Ohio, and observed the booming Civil War demand for salt pork.

It was in Cincinnati that Armour met and married Malvina Belle Ogden (1842-1927). They would have two sons, J. Ogden Armour (1863-1927) and Philip Danforth Armour, Jr. (1869-1900).

In 1862, Armour took a half interest in the Milwaukee slaughterhouse founded by John Plankinton (1820-1891). By then, Armour's brother Herman Ossian Armour (1837-1901) was already the operator of a successful Milwaukee grocer provision firm, and another brother, Joseph Francis Armour (1842-1881), was a Chicago grain dealer. Before war's end Philip Armour sold short on pork, making Plankinton and Armour wealthy, while the fall in pork prices drove many of their Cincinnati competitors out of business. Armour would henceforth become an influential speculator in agricultural commodities. Railways, cattle, and pigs would make Chicago a center for agricultural industries in post-Civil War America, and Armour and his brothers set their sights there.



Philip Danforth Armour. (Archive Photos/Getty Images)

Mature Wealth

Armour and his brothers acted aggressively to build their businesses. Plankinton and Armour expanded to Kansas City, Missouri; Henry Armour opened Armour, Plankinton, and Co. in New York (later H. O Armour and Co.); brother Simeon Armour (1828-1899) established Armour Packing Co. in Kansas City (the two merged into a single firm in the 1890's); and Andrew Watson Armour (1829-1893) founded the Armour Brothers bank in Kansas City. The Armour yards and packinghouses in Chicago became the biggest in the city. Philip Armour led these enterprises with aggressive and astute business acumen, epitomizing the hard-nosed business culture of his era.

Armour was a great believer in trade and thrift (rather than in religion), as well as in the sciences that enabled their application in production. Thus he sought to employ the enormous amounts of waste, including heads, feet, tankage, and other matter, that packinghouses produced. Armour was among the first to fully incorporate and profit from the side businesses of manufacturing glue, oil, tallow, fertilizer, oleomargarine, sausage casings, pharmaceuticals, and other products from the nonmeat portions of farm animals. Eventually lower-quality meat was canned and sold as inexpensive new food products, such as pork and beans. Armour hired chemists and built a laboratory at his Chicago facilities to make possible the most efficient and profitable reuse of all parts of farm animals. He purchased competitors' businesses or founded his own, including fertilizer and soap firms, and had designs on tanneries and related businesses until the antitrust legislation of the early 1900's and the Packers and Stockyards Act of 1921 slowed the company's growth. It was these businesses related to meatpacking that made Armour & Co. the largest of its kind in Chicago and a global innovator in industrial agriculture processing.

Armour, who built and directed the collection of companies that he and his brothers commanded, shared a large, nonpartitioned office with three hundred employees at the Home Insurance Building on Chicago's LaSalle Street. Tall, weighing 250 pounds, he was known as a plain speaker whom few dared to cross. He became one of the wealthiest men of Chicago's Gilded Age, along with Marshall Field, George Mortimer Pullman, and Armour's chief rival, Gustavus Franklin Swift, who pio-

Illinois Institute of Technology

The origins of the Illinois Institute of Technology go back to 1886, when Philip Danforth Armour established the Armour Mission in Chicago to offer classes to young people of all races and ethnicities. It was operated by the Plymouth Congregational Church, led by the influential Reverend Frank Wakely Gunsaulus (1856-1921), who would help direct Armour's charitable efforts.

Armour sought to enlarge the missions founded in 1874 in Chicago by his late brother Joseph Francis Armour. The mission facility had been designed by the noted architects John Wellborn Root and Daniel Hudson Burnham. A row of apartments were built adjacent to the mission, and Armour encouraged company mangers and officials to live there so their rent might help enrich the mission's programs, which included an administrative and teaching staff, more than two thousand pupils, and a library. Librarian Julia A. Beveridge began offering technical classes in woodworking, mechanical drawing, and designing, and she is credited with providing the inspiration for the school's curriculum.

Opened in 1893, the Armour Institute of Technology was led by Gunsaulus. A technical school open to all young men who could pass the stiff entrance exams, regardless of race or ethnicity, the institute charged a maximum $60 annual tuition and was free for poorer students. A high-school-level academy was also built to serve young women. The institute's opening coincided with the 1893 World's Columbian Exposition held in Chicago, and some of the exposition's mechanical and electrical equipment was purchased for school use. Armour donated $3 million to the institute before his death. His wife Malvina and his son J. Ogden Armour donated another $1 million.

First courses included mechanical, electrical, and mining engineering, taught by a select faculty. The institute soon expanded its curriculum in civil engineering, chemistry, and library science, and became a premier institution in engineering education. In 1901, it graduated the first African American to receive a degree in chemical engineering, Charles Warner Pierce (1867-1947). In 1938, noted architect Ludwig Mies van der Rohe (1886-1969) assumed leadership of the institute's architecture program, which was operated jointly with the Art Institute of Chicago and named the Chicago School of Architecture.

In 1940, the Armour Institute of Technology merged with the Lewis Institute, a small Chicago liberal arts college, and changed its name to the Illinois Institute of Technology (IIT). By 2009, IIT was a distinguished university, providing degrees in engineering, science, psychology, architecture, business, design, and law.

neered the refrigerated railway car for beef transportation. Armour relentlessly applied practical business methods to lower costs and inefficiencies, and he employed professional mangers to oversee a diverse empire. He kept a vigorous schedule, arriving at his offices by six o'clock in the morning and holding first meetings soon thereafter.

Confronting the problem of transportation and distribution, Armour partnered with railroad magnates; became an owner in the Chicago, Milwaukee, and St. Paul Railroad Company and in the Baltimore and Ohio Railroad; and established distribution centers for beef, pork, and grain throughout the country and in Europe. Armour overcame considerable public opposition to fresh beef, as it challenged commonly held notions of food safety and competed (many claimed unfairly) with local butchers. The Armour brand became widely known, and Armour had the motto "We Feed the World" painted on his company's railway cars.

Chicago's South Side, where the Back of the Yards neighborhood and the stockyards and slaughterhouses were located, was known for its unsafe and poor living and working conditions. Upton Sinclair's best-selling book *The Jungle* (1906) depicted the stark life of packinghouse workers, and Jane Addams's Hull House settlement programs were established nearby to provide educational and other services to these residents. Staunchly antiunion, Armour defeated major strike waves in 1879, 1886, and 1894, and the company required workers to sign agreements not to join a union. The industry remained nonunion during Armour's lifetime.

Armour's supporters pointed to his undeniable generosity, his scorn for wealthy "society," his genuine love of children, and his ease with working men. He established the Armour Mission in Chicago in 1886, and in 1893 he founded the Armour Institute. These institutions became the passions of his life.

Armour died pf pneumonia in January, 1901, after a series of illnesses.

Legacy

Armour was one of the most innovative industrialists of late nineteenth century America. He represented the ideal of the self-made man of his era, and his Armour &

Co. businesses embodied the great maturation of the United States into a sophisticated industrial agricultural provider to the world.

His personal fortune was estimated at more than $30 million. He was survived by his wife and older son, J. Ogden Armour, who took on the Armour business with great composure, having served as a partner since 1884. His son took the company to new heights, at one point grossing $1 billion in a single year, but the company barely survived the post-World War I economic slump.

—*Eric Schuster*

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See also: Marshall Field; James J. Hill; George Mortimer Pullman; Julius Rosenwald; Louis F. Swift.

William Henry Aspinwall

American merchant and steamship and railroad owner

Aspinwall established himself as one of New York's most successful merchants in the 1830's and 1840's. His Pacific Mail Steamship Line was launched just before the beginning of California's gold rush and became immensely profitable, as did the railroad his firm constructed across Panama in the 1850's.

Born: December 16, 1807; New York, New York
Died: January 18, 1875; New York, New York
Sources of wealth: Trade; railroads; shipping
Bequeathal of wealth: Spouse; children

Early Life

William Henry Aspinwall (AS-pihn-wawl) was born into a respected New York merchant family. His father, John, and uncle were importers and wholesalers of dry goods. G. G. & S. Howland, a merchant partnership run by the brothers of Aspinwall's mother, was one of the city's most successful businesses. Aspinwall attended Bancel's Boarding College in New York City and became so adept at French and Spanish that he tutored in these languages after graduation.

First Ventures

In 1832, Aspinwall and his cousin William Howland were brought into G. G. & S. Howland to learn the business, and the firm was renamed Howland & Aspinwall in 1834. Three years later, Aspinwall's two uncles ceased active management of the firm, and Aspinwall began receiving a one-quarter share of its profits as a partner. Aspinwall was increasingly recognized as the dominant partner, known for his quiet, pious character, careful attention to detail, and conservative business decisions. The firm's ships carried goods to and from Europe, the West Indies, China, and South America. They secured a monopoly on trade with Venezuela, due to ties with President José Antonio Páez. By the mid-1840's. Aspinwall also became director or trustee of several banks and insurance companies and served as vice consul for Tuscany.

Mature Wealth

Aspinwall began to take greater risks in the mid-1840's, when he ordered shipbuilders Smith and Dimon to construct the world's first clipper ship, following naval architect John Willis Griffiths's radical new design. Aspinwall had second thoughts in the face of great public skepticism, which delayed construction, making the *Rainbow* the second clipper ship to be launched. Aspinwall's next clipper, the *Sea Witch*, astounded the shipping world by sailing from Canton, China, to New York in only seventy-four days. The speed and profitability of Aspinwall's vessels led to a flood of orders for the new clipper ships.

In late 1847, Aspinwall made another daring move, establishing the Pacific Mail Steamship Company after purchasing a contract to run a government-subsidized shipping line from Panama to Oregon. At the conclusion of the Mexican War in 1848, there were only about twenty thousand inhabitants scattered along the two thousand miles of the United States' newly acquired West Coast, and most observers believed the $199,000 annual government subsidy would not cover the costs of running three steamers along routes that had no coal stations or repair yards, inadequate port facilities, and very little freight or passenger potential. The construction of three wooden-hulled, paddle-wheel steamers began at once, and the first, the *California*, left New York on October 6, 1848. It carried only seven passengers from New York, its captain became ill, and it ran into a string of difficulties on its voyage around South America, but its voyage became the stuff of legend. When the beleaguered ship reached the Pacific coast of Panama, it found a mob of fifteen hundred men clamoring to reach California's gold fields. Because of the gold rush, Aspinwall's line expanded rapidly and became immensely profitable.

With even greater foresight, Aspinwall had already sent a surveying team to Panama and quickly negotiated for the rights to build a railroad across the isthmus. Panama's geography, climate, and disease-carrying mosquitoes made construction difficult, expensive, and slow. In late 1851, the partially built railroad was on the verge of running out of capital, as construction costs far outstripped estimates, and stock in Aspinwall's Panama Railroad Company fell to pennies per share. At this point, Aspinwall pledged his personal fortune to continue the project, saving the railroad, which was completed in 1855 at a cost of $8 million (about $200 million at 2010 prices) and about six thousand lives.

In 1856, Aspinwall began to withdraw from active management of his businesses and to turn the reins of the merchant house over to his younger brother and son. During the Civil War, Howland & Aspinwall acted as a government purchasing agent in Europe, but Aspinwall surprised Secretary of War Edwin M. Stanton by remitting his commissions from these purchases back to the government. Aspinwall also served on a secret mission to England to impede Confederate efforts to buy and outfit ships that would raid Union commerce.

Legacy

In his retirement, Aspinwall became a philanthropist and amassed a sizable art collection, with paintings by Thomas Gainsborough, Rembrandt, Peter Paul Rubens, Titian, Diego Velázquez, and others. He was a founder of the Metropolitan Museum of Art and a founding trustee of the Society for the Prevention of Cruelty to Animals.

Although he was one of the world's wealthiest men at his death in 1875, with net assets valued around $4 million ($80 million in 2010), time quickly obscured Aspinwall's fame and contributions. Howland & Aspinwall evolved into an investment, commission, and banking firm before ceasing operations in the mid-1890's. The Pacific Mail underwent numerous changes of leadership and ownership, while the Panama Railroad eventually became the property of the Panama Canal in the early twentieth century, and the port town of Aspinwall, Panama, was renamed Colón.

—*Robert Whaples*

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See also: Anthony N. Brady; Daniel Drew; William Thaw; Cornelius Vanderbilt; Peter A. B. Widener.

Brooke Astor

American philanthropist and socialite

Astor inherited one of America's great fortunes and became one of America's best known philanthropists, developing a personal involvement and style rare in American philanthropy. She continued her work until age ninety-five, when she closed the Vincent Astor Foundation.

Born: March 30, 1902; Portsmouth, New Hampshire
Died: August 13, 2007; Briarcliff Manor, New York
Also known as: Roberta Brooke Russell Kuser Marshall Astor; Roberta Brooke Russell (birth name)
Source of wealth: Inheritance
Bequeathal of wealth: Children; charity

Early Life

Brooke Astor was the only child of Marine officer John Henry Russell, Jr., and Mabel Howard Astor. Mother and child joined Russell at stations in Hawaii, Panama, and China. In Brooke's memoirs (*Patchwork Child*, 1962, rev. 1993; *Footprints*, 1980), she recalled learning from Chinese Buddhist priests to respect all living beings, an attitude that governed her philanthropic work. The family returned to the United States in 1914. In 1919, she married wealthy John Dryden Kuser. Her only child, Anthony Kuser, was born in 1924. The abusive marriage ended in 1930. In 1932, she married stockbroker Charles "Buddie" Marshall; her son changed his name to Anthony Marshall. After Marshall's 1952 death, she became an editor of *House and Garden* magazine. In 1953, she married Vincent Astor (1891-1959).

First Ventures

At Vincent Astor's death, his estate was worth $127 million. Brooke Astor received $2 million in cash, valuable real estate, and a $60 million trust fund. Much of this fortune had been amassed by John Jacob Astor (1763-1848), a fur trader who invested profits in increasingly valuable New York real estate. He leased land rather than sold it, allowing developers to build for maximum profit and disclaiming responsibility for the squalid tenements that resulted. Trusts kept money in the family. When John Jacob Astor IV died in the 1912 sinking of the RMS *Titanic*, his son Vincent inherited $87 million. He received his wealth outright, not in trust, and was free to rid the estate of slum properties, selling some to the city of New York for less than appraised value. In 1948, he established the Vincent Astor Foundation, to which he bequeathed $60.5 million. His widow was to head the foundation.

Mature Wealth

Under Vincent Astor, the foundation routinely donated about $175,000 each year to established charities, such as the American Red Cross and the Astor Home for Children, which he helped found. Brooke Astor redefined the foundation's mission, insisting that New York, the source of the family's wealth, should receive most of the money. She began personal on-site tours to potential recipients to ensure that money would be well used. In her first year, grants totaled more than $3 million.

Her interests included educational and cultural institutions, such as the New York Public Library and the

Brooke Astor. (AP/Wide World Photos)

Metropolitan Museum of Art; her support was crucial during New York's fiscal crisis in the 1970's. Animal welfare grantees ranged from the Bronx Zoo to the Seniors' Animal Veterinary Endowment to provide treatment for the aging pets of the elderly. The foundation also donated heavily to redevelopment of the Bedford-Stuyvesant neighborhood in Brooklyn, one of the most impoverished in the city. She closed the foundation in 1997. Final grant recipients included Partnership for the Homeless, the Animal Medical Center, and the Women's Housing and Economic Development Center.

Her mind gradually failed. Her son, Anthony Marshall, took charge of her until 2006, when a guardianship petition by his son Philip Marshall resulted in Astor's friend Annette de la Renta becoming guardian and Chase Bank taking charge of Astor's financial affairs. Investigation of Anthony Marshall's handling of Astor's funds began in 2006; the validity of 2004 codicils to Astor's will was questioned. In 2007, Marshall was charged with sixteen counts, including grand larceny and fraud, for defrauding his mother and stealing tens of millions of dollars from her. He was tried in 2009, and on October 8 was convicted of fourteen of the sixteen counts against him. On December 21, 2009, he was sentenced to serve one to three years in prison, the minimum sentence allowed.

Legacy

Astor was a woman of enormous personal wealth, leaving an estate of $198 million. She also possessed great social intelligence and vitality, making an outstanding contribution to her adopted city. The discipline provided by her international childhood, magazine editorship, and continual writing (memoirs, novels, essays, and poetry) gave her exceptional administrative skills. She recalled her husband telling her she would have fun administering the foundation, and she did. Her efforts gained her many honors, including a Medal of Freedom awarded by President Bill Clinton in 1998, her ninety-sixth year.

—*Betty Richardson*

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See also: Eighteenth Duchess of Alba; Caroline Schermerhorn Astor; John Jacob Astor; Vincent Astor; William Backhouse Astor, Jr.; John Bouvier; Doris Duke; Barbara Hutton; Gloria Vanderbilt.

Caroline Schermerhorn Astor

American heiress and socialite

Astor stood at the forefront of Gilded Age society. Born into a respected old New York colonial family, she married into America's richest dynasty and used its wealth and position to become the uncontested leader of high society in New York.

Born: September 22, 1830; New York, New York
Died: October 30, 1908; New York, New York
Also known as: Caroline Webster Schermerhorn (birth name)
Sources of wealth: Inheritance; marriage
Bequeathal of wealth: Children; charity

Early Life

Caroline Schermerhorn Astor (KEHR-uh-lin SKAYR-murn AS-tuhr) was born Caroline Webster Schermerhorn in New York City in 1830. The daughter of Helen White and Abraham Schermerhorn, she was the youngest of eight children. Her father, a wealthy banker, merchant, and landowner, was worth about $500,000 when she was born. Her father was descended from the city's original Dutch settlers, and her mother could trace her lineage back to King James I of Great Britain. Caroline attended a school run by a Frenchwoman and completed her studies in Europe.

First Ventures

In 1853, she married William Backhouse Astor, Jr., grandson of the first John Jacob Astor, whose work in the fur trade and subsequent investments in land had made his family the wealthiest in America. Over the next decade, bearing and raising children occupied Caroline's time. She had four daughters, Emily, Helen, Charlotte Augusta, and Caroline, before giving birth to a male heir, John Jacob IV.

In 1872, when her mother-in-law Margaret Astor died, Caroline claimed for herself the title of *the* Mrs. Astor. The wife of the eldest Astor son, John Jacob Astor III, should have assumed Margaret's role as the family's social matriarch, but she lacked her sister-in-law's social ambitions. Caroline's hunger for status may have sprung from concern for her children. She had four daughters for whom she needed to secure the best possible marriages. Caroline's husband William shunned society gatherings. However, he seemed willing enough to pay for his wife's elaborate entertainments, jewels, dresses, springs in London and Paris, and summers in Newport, Rhode Island.

Mature Wealth

With the help of distant cousin Ward McAllister, who became her majordomo and publicist, Caroline Astor assumed the role of high society's leader. McAllister popularized the concept of the Four Hundred—the notion that only about four hundred people, the approximate number that Astor's ballroom could accommodate, constituted the cream of New York society. He contributed to the formal and somewhat stout Astor's mystique, naming her the "Mystic Rose" after a paradisiacal vision in the literary works of Dante. Society's inner circle, and those hoping to enter it, vied for Astor's invitations.

Astor's grand parties were initially held in the four-story family home at 350 Fifth Avenue, where an unprepossessing brownstone exterior belied a sumptuous interior. In 1881, Astor's husband purchased her a sixty-two-room summer home in Newport, Rhode Island, that became another high-society hub. After William died in 1892, Caroline had a double home constructed for herself and her son's family at 840 Fifth Avenue. This imposing château, completed in 1896, included a massive shared ballroom.

William's death was followed in 1893 by that of their daughter Helen. By the time Astor emerged from two years of mourning, she had slipped from the pinnacle of society. She continued in a diminished fashion for the next decade, throwing her last ball in 1905 and her last dinner party in 1907. She spent her final year in declining health, dying of a heart ailment in 1908. She bequeathed most of her estate, valued at about $1.8 million, to her two surviving daughters, the family jewelry to her son, and $5,000 each to her butler and a charity for the blind.

Legacy

Astor embodied the intermingling of New York's old, traditional colonial families with its newer wealth. Unlike her conservative ancestors, she used her money to emulate the opulent lifestyle of the European aristocracy.

Caroline Schermerhorn Astor. (©Bettmann/CORBIS)

However, she erected societal barriers to exclude the nouveau riche, who had not had enough time in high society to learn its niceties. She and McAllister determined that it took three generations of wealth to produce a gentleman, a rule under which her third-generation husband was acceptable and the second-generation Vanderbilts were not. In a chaotic, post-Civil War New York where respected old families suddenly found themselves rubbing elbows with robber barons, Astor represented order and taste.

—*Karen N. Kähler*

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See also: Brooke Astor; John Jacob Astor; Vincent Astor; William Backhouse Astor, Jr.; Cornelia Martin; Consuelo Vanderbilt.

JOHN JACOB ASTOR

American merchant and entrepreneur

Astor became the first American multimillionaire. A German immigrant who came to the United States immediately after the Revolutionary War, he sold everything from musical instruments to tea but made most of his money in the fur trade. Astor's wealth set up his family as one of America's richest and most influential dynasties.

Born: July 17, 1763; Walldorf, Baden (now in Germany)
Died: March 29, 1848; New York, New York
Also known as: Johann Jakob Astor (birth name)
Sources of wealth: Trade; real estate
Bequeathal of wealth: Children; charity

EARLY LIFE

John Jacob Astor was the youngest of six children of Jacob Astor, a butcher, and Maria Magdalena Vorfelder. Astor's mother died three years after he was born; his father remarried and had six more children. Astor was born in Walldorf, Baden, which had an excellent school system, giving him a better education than most boys of his time and background. He followed the traditional pattern of leaving school at thirteen after being confirmed in the Lutheran Church. He then apprenticed as a butcher in his father's shop but did not like the trade.

Astor's older brother George made musical instruments in London, and Astor joined him in 1779. When the American Revolution ended in 1783, Astor set sail to join another brother, Henry, in New York. He sold musical instruments and sheet music in New York City for several months as a way to raise money to enter the fur trade. In 1784, he began to sell furs to the London market. A year later, in September, 1785, he married Sarah Todd. The couple would have eight children.

FIRST VENTURES

Astor continued to sell musical instruments but became increasingly involved in the fur trade. Meanwhile, he used his wife's connections to the old Dutch families of New York to increase his social prominence and business opportunities. He developed friendships with most of the leading politicians and businessmen in New York City. He later befriended politicians James Monroe, Henry Clay, and John C. Calhoun, among others, and would occasionally provide loans for friends.

While Astor's wife ran the musical instruments store, he made multiple buying trips to Albany, New York, a regional fur-trading outlet. In 1787, Astor rented a warehouse in Montreal, Canada, the fur-trading center in North America, and began making deals with traders. Many of the pelts that Astor purchased were beaver, which were used to make fashionable hats for Europeans. Since British law prohibited direct trade between Canada and the United States, Astor shipped his pelts to

John Jacob Astor. (Library of Congress)

London and then to New York or smuggled them overland.

Mature Wealth

By the early 1790's, Astor had become the leading American fur trader. He wasted no opportunity to make money. On the return voyage to the United States, he would ship teas and silk, which he would then sell for a handsome profit. In 1803, Astor purchased eight ships and created his own fleet. In addition to furs, his ships carried ginseng to China, which paid six times the American price for the herb.

By 1807, Astor had become the first American millionaire and the leading American fur trader. However, he had no particular allegiance to any country. Never a nationalist, Astor traded with anyone. In his dealings with Canada and Great Britain during President Thomas Jefferson's 1808 embargo on trade, Astor broke the law. He would engage in war profiteering during the War of 1812.

In 1808, Astor created the American Fur Company in order to establish a West Coast trading base. The American Fur Company also did business in the Great Lakes region and in the St. Louis-Missouri River area. Except for a break during the War of 1812, Astor's ships moved between China, Europe, Latin America, Hawaii, and the Pacific coast of North America. In 1827, Astor sold his ships and ended regular trade with China because of increased costs.

Astor used much of the profits from his fur trading to invest in real estate. From 1800 until his death in 1848, Astor is estimated to have spent more than $2 million in land deals for both urban and agricultural tracts in the vicinity of New York City. As Manhattan and the rest of the city grew, the value of Astor's real estate leaped. By the 1820's, he was collecting more than $100,000 in rental payments. The rental money would continue to benefit Astor's descendants long after his death.

One of Astor's major real estate projects was the Park Hotel, later named the Astor House. Begun in 1834 in New York City, it cost more than $400,000 to build. Upon its opening in 1836, it was the most famous hotel in the United States. However, Astor had less success with his developments west of New York City. A settlement he established in 1835 did not succeed. In 1838, the township of Astor joined with another town to form Green Bay, Wisconsin.

It would be far-fetched to categorize Astor as a humanitarian. He paid little attention to civic duties. He gave $5,000 of the $20,000 needed to build a home for poor old women and made donations to New York City's fire department. However, he made no other significant charitable bequests during his lifetime, except for financing the Astor Library.

Astor focused on his family. In the aftermath of the 1818 drowning death of a grandson, Astor left for Europe in 1819 with his two surviving sons and daughter Eliza (he and his wife would eventually survive all but two of their eight children). The group included Astor's oldest son, the mentally ill John Jacob Astor, Jr. The family traveled through Europe for the next fifteen years,

Astor Library

John Jacob Astor left very little of his fortune to charitable causes, with the exception of $460,000 that he contributed to the Astor Library. The millionaire may have been influenced by criticism from educator Horace Mann, who publicly condemned him for not giving back more to the society that enriched him. Mann, the founder of the American public school system, called Astor "insane." In the 1820's, as Astor contemplated retirement and put an eye toward his legacy, he began to consider making a substantial charitable contribution. Writer Joseph Green Cogswell suggested that Astor fund a library to enhance the Astor name and give New Yorkers access to the cultural heritage of the world. In 1837, Astor agreed to fund a library. As befits such a founder, the Astor Library would be the greatest in the United States.

Unsure where to place the building, Astor finally decided upon some less valuable lots in Lafayette Place. This decision shows that he still had some trouble giving away money. Astor also repeatedly changed his mind about the library's architecture, personnel, and book purchasing. Cogswell managed to persuade the old millionaire to give him permission to buy a private European library that came on the market.

When the Astor Library finally opened in 1849, Cogswell had stocked it with 100,000 volumes at a time when the Library of Congress housed only 50,000 books and Harvard University's library held 72,000 volumes. The books were not loaned out and the hours of operation were limited, but the library quickly became established as a major source of reference and research. Astor's son, William Backhouse Astor, subsequently supplemented his father's endowment to keep the library strong.

The Astor Library's holdings merged into the New York Public Library in 1895. The former site of the Astor Library now houses the New York Shakespeare Festival's Joseph Papp Public Theater.

with Astor purchasing a home on the shores of Lake Geneva, Switzerland, in 1824. Astor received regular reports from his business partners and remained actively involved in all of his business interests. In 1834, Astor returned permanently to the United States.

As Astor saw death approaching, he wound down his business affairs. Furs were no longer as profitable as they once had been because the mechanization of cloth manufacturing allowed manufacturers to make clothes for less money than producing them from furs. Additionally, western expansion had brought considerable competition in the fur business, with an accompanying increase in costs.

In 1834, Astor divided the first business monopoly in American history when he sold the northern and southern segments of the American Fur Company. His son, William Backhouse Astor, put the value of the empire at $1 million. Astor kept his real estate. At the time of his death, Astor's estate was valued by executors at $8 million, but this does not include property. Most biographers put the total value of the estate at between $20 and $30 million.

Legacy

Astor helped establish the young United States as a major trading nation. He did not transform business in any way but instead proved to be a master in the art of trading. He was a shrewd businessman rather than an innovator.

America's first millionaire and likely the richest man in the United States at the time of his death, Astor saw his only duty as making money for his family. He spent too much energy on amassing wealth to be able to easily give it away to strangers. He found it far easier to be generous with his family. The bulk of Astor's estate went to his son William, with the other half left in trust for grandson John Jacob Astor III. Astor left $50,000 to his hometown of Walldorf in order to care for the elderly and to provide education for poor children. He also left $30,000 to the German Society of New York to be used to help immigrants, as well as $30,000 to the Home for Aged Ladies. New York City's Blind Asylum, Half-Orphan Asylum, and German Reformed Church received minor gifts. As a result of the vast amount of wealth, the dynasty founded by Astor became one of America's most famous families and a foundation of the *Social Register.*

—*Caryn E. Neumann*

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See also: Brooke Astor; Caroline Schermerhorn Astor; Vincent Astor; William Backhouse Astor, Jr.; Donald Smith.

Vincent Astor

American heir, investor, and philanthropist

Astor was the first member of his immensely wealthy family to gain a reputation for philanthropy. He had no heirs and left much of his vast fortune to the Vincent Astor Foundation, which continued to support charitable causes for almost four decades after his death.

Born: November 15, 1891; New York, New York
Died: February 3, 1959; New York, New York
Also known as: William Vincent Astor
Sources of wealth: Inheritance; real estate; investments
Bequeathal of wealth: Spouse; charity

Early Life

William Vincent Astor was born in New York City in 1891. The son of Ava Willing and John Jacob Astor IV and the grandson of Caroline Schermerhorn Astor and William Backhouse Astor, Jr., Vincent was born into one of America's wealthiest families. During his teens he attended Westminster School in Simsbury, Connecticut, and St. George's School in Newport, Rhode Island. His strict and emotionally distant father gave the schoolboy an allowance of only fifty cents a month, which would be reduced by fifteen cents if Vincent's grades were poor or if he behaved badly. The young man fared better at Harvard University, where he received a $2,000 annual allowance, from which he had to pay for his tuition and board. In April, 1912, his life changed abruptly when his father died aboard the RMS *Titanic*, making twenty-year-old Vincent the youngest Astor to inherit. He left college and immersed himself in learning how to manage the family estate.

First Ventures

Astor's father, who was worth $87 million at his death, bequeathed $70 million to his son, about $63 million of which was in real estate. Vincent's inheritance included the Hudson Valley retreat Ferncliff, the yachts *Noma* and *Nourmahal*, and a garage of thirty automobiles. Vincent officially took control of the Astor estate upon his twenty-first birthday. Shortly thereafter, he broke from his forebears' tradition of merely owning land and ventured into developing it. He also strayed from expected Astor behavior by establishing a playground in Harlem and making other recreational provisions for slum children.

In 1914, he married longtime acquaintance Helen Dinsmore Huntington. During World War I, Astor served in the navy, ultimately rising to the rank of captain. He also contributed to war loans, gave the navy his yacht *Noma*, and offered Ferncliff for use as a hospital.

In 1919, Vincent and Helen moved into the palatial Astor residence at 840 Fifth Avenue, an imposing château that Vincent's father and grandmother Caroline had

Vincent Astor walks his dog while visiting Marblehead, Massachusetts. (©Bettmann/CORBIS)

The Vincent Astor Foundation

Vincent Astor established the charitable trust that bore his name in 1948 with the intention of using the trust for "the alleviation of human misery." The foundation initially provided grants to hospitals, children's homes, and other institutions. Astor's will left half of his estate, or $65 million, to the foundation.

Upon his death in 1959, Astor's widow Brooke became the foundation's president. During her tenure, which spanned four decades, foundation funds were allocated to a variety of charities, including the Metropolitan Opera Association, the New York Botanical Garden, the Natural History Museum, the Bronx Zoo, the Pierpont Morgan Library, the East Harlem Tutorial Program, the Navy Yard Boys' Club, and the Greater New York Ice Hockey League. Many of the gifts granted during Brooke Astor's tenure reflected her own background and interests: her childhood in China, her passion for learning and the written word, and her love for her dachshunds.

New York's Metropolitan Museum of Art received $10 million from the foundation in order to add a Chinese courtyard to its Asian galleries. Astor Court, which features a covered walkway, a small reception area, a half pavilion, a koi pond, a skylight, and Ming Dynasty furniture, was modeled on a scholar's courtyard in the Garden of the Master of the Fishing Nets in Suzhou, a city inland from Shanghai, China, known for its fine garden architecture. The courtyard's components were crafted in Suzhou and installed by a team of Chinese engineers and craftsmen. Astor Court opened to the public in 1981.

In the early 1980's, Brooke focused the foundation's philanthropy on the ailing New York Public Library. Her efforts and contributions helped popularize the library as a cause. The foundation's $10 million gift to the library in 1985 ignited a fund-raising campaign that generated $300 million. The foundation's gift designated $7 million for the library's unrestricted endowment and $3 million for annual operations of the research libraries. Brooke and Vincent Astor are memorialized through several library fellowships, awards, and facilities that bear their names, including the Vincent Astor Gallery, an exhibition space at the New York Public Library for the Performing Arts at Lincoln Center Plaza. Other notable foundation activities included the 1982 establishment of the Astor Chair of Comparative Medicine at New York's Animal Medical Center (AMC) and the 1995 funding of AMC's Senior Assistance Veterinary Effort, which supplies medical care for the pets of elderly indigent persons.

With no direct Astor heirs to whom she could pass the foundation, Brooke decided it should not continue after she retired from management. In 1997, at the age of ninety-five, she dissolved the foundation and gave away its remaining assets. At the time of her death, on August 13, 2007, she was renowned as one of New York's greatest philanthropists, having given $25 million to the New York Public Library alone.

shared. (John Jacob, who divorced Vincent's mother in 1910, left the Fifth Avenue house, a sixty-two-room summer house in Newport, Rhode Island, and a $5 million trust to his second wife Madeleine; when she remarried in 1919, she forfeited these benefits, which reverted to Vincent.) While the Astors held an annual January ball in remembrance of Vincent's grandmother Caroline, famed for her elaborate high-society entertainments, they also hosted charitable banquets.

Mature Wealth

In the years after World War I, Astor began selling off many family properties, including the Schermerhorn Building on Broadway for $1.5 million and the Longacre Building on Times Square for $2.5 million. Sale of the Waldorf-Astoria Hotel, jointly owned by Astor and the British branch of the family, brought each party $7.56 million; the hotel was demolished and the Empire State Building erected in its place. Other Astor-owned hotels, the St. Regis and the Knickerbocker, were also liquidated. Even Astor's Fifth Avenue home went on the market, fetching $3.5 million in 1925. Vincent and Helen moved to a smaller, $250,000 Georgian-style town home at 130 East 80th Street.

Over the course of roughly a decade, this real estate liquidation yielded more than $40 million, which Astor profitably reinvested in stocks. He also acquired shares in the first motion picture adaptation of Lew Wallace's novel *Ben Hur: A Tale of the Christ* (1880). He used his $371,000 from the 1925 blockbuster film to purchase a new and better yacht, christened *Nourmahal* in honor of the yacht his father and grandfather had owned. The $1.75 million *Nourmahal*, built in 1928, had a forty-two-man crew and an annual operating cost of $125,000. For years, Astor made annual South Pacific and Caribbean cruises aboard *Nourmahal*. On a 1930 trip to the Galápagos Islands, he brought along a team of naturalists from the New York Aquarium, the American Museum of

Natural History, and the Brooklyn Botanic Garden to collect biological specimens for their institutions.

Astor was an early supporter of Franklin D. Roosevelt, a distant relative and Hudson Valley neighbor. He placed *Nourmahal* at Roosevelt's disposal, and it was aboard Astor's yacht that the rattled president-elect collected himself after surviving a 1933 assassination attempt in Miami, Florida. Astor later conducted espionage for President Roosevelt under the entirely credible cover of a wealthy man enjoying a pleasure cruise.

Astor disliked his family's history as slumlords, and he strove to divest himself of his inherited tenement holdings. In the early 1930's, after some lower East Side tenements caught fire, Astor worked with the city housing authority to sell off his holdings for $189,000, much less than their actual value. Astor provided assistance to the tenants, helping them move out and find alternate housing. The tenements were razed and the city's first low-cost public housing constructed.

In 1933, Astor became owner of the weekly magazine *Today* with an initial investment of $250,000. Four years later, the magazine was merged into *Newsweek*, and Astor became the majority stockholder. It took roughly ten years and $5 million of Astor's money for *Newsweek* to break even. *Newsweek* was one of Astor's passions, along with the St. Regis Hotel. Built by and inherited from his father, the luxury hotel was among the properties he had sold off during the 1920's. However, he reacquired the St. Regis in 1934 and spent $500,000 to improve it. Under Astor's watch, the hotel once again became a popular Manhattan destination.

In 1940, Astor's wife divorced him, and shortly after he married Mary Benedict "Minnie" Cushing. During World War II he transferred his beloved *Nourmahal* to the Navy. After the war he went through another period of liquidating his real estate holdings, investing the profits in the stock market. The resulting returns would nearly double the inheritance he received from his father.

Astor and his second wife divorced in 1953. That same year he married the recently widowed Mary Brooke Russell Marshall, better known as Brooke, the editor of *House and Garden*. Infamous for his moodiness, Astor nonetheless warmed to Brooke's young grandsons, roughhousing with them and taking them for rides on the narrow-gauge railroad he had built at Ferncliff.

In 1955, he unveiled plans for Astor Plaza, a forty-six-floor luxury office building at Park Avenue and Fifty-third Street. After investing $75 million in this ambitious project, Astor found himself unable to raise financing for its development. Three years later he sold his interest to First National City Bank, losing $3 million in the process.

Astor fell ill during a trip abroad in 1958. The next year, after a period of poor health, he died of a heart attack at the age of sixty-seven. He left his widow Brooke $2 million outright and a trust fund of more than $60 million. Half of his estate, $65 million, went to the Vincent Astor Foundation. Astor's estranged half brother John Jacob Astor VI, the son of John Jacob Astor IV and his second wife Madeleine, contested the will. He challenged Vincent's mental competence at the time the will was drafted and claimed undue influence by the executors. After several months, when it became clear his efforts would be fruitless, he settled for $250,000 offered by Brooke.

Legacy

The Astor family traditionally had a reputation for keeping their wealth largely to themselves. Their charitable donations were generally viewed as meager in comparison to what they were capable of contributing. Vincent, by contrast, was "the Astor who gave it away." His philanthropy set him apart from his ancestors, as did the social conscience that prompted him to reject the role of slumlord. While he enjoyed private yachts, airplanes, multiple homes, and other amusements of the rich, he also worked hard at managing and expanding his estate. After his death in 1959, the foundation that he established—and the woman in whose hands it was left—continued to improve life for New Yorkers for the rest of the century.

—Karen N. Kähler

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See also: Brooke Astor; Caroline Schermerhorn Astor; John Jacob Astor; William Backhouse Astor, Jr.

William Backhouse Astor, Jr.

American heir and landowner

Astor was the grandson of self-made millionaire John Jacob Astor. He inherited the family's wealth and spent much of his life letting others manage it, becoming better known for spending his fortune on diversions than increasing or sharing it.

Born: July 12, 1830; New York, New York
Died: April 25, 1892; Paris, France
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Spouse; children

Early Life

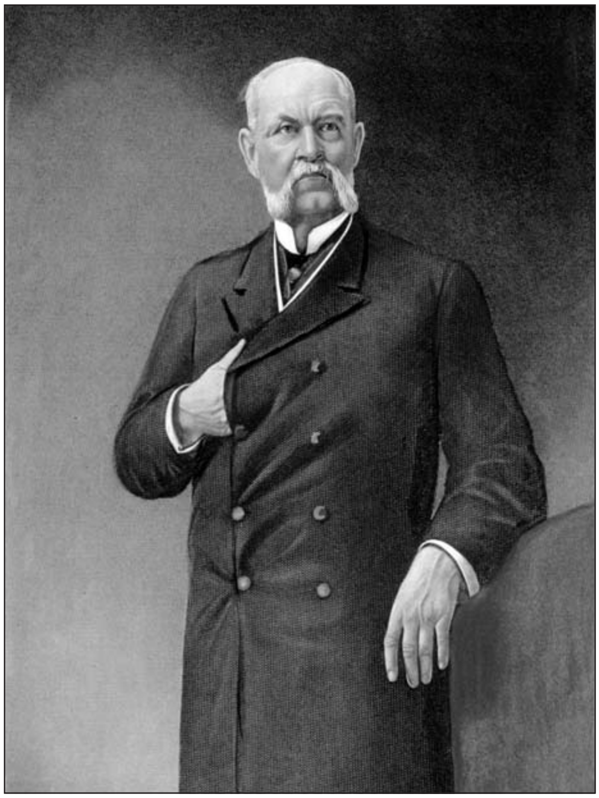
William Backhouse Astor, Jr., the second son of Margaret Armstrong and William Backhouse Astor, Sr., was born in New York City in 1830. He graduated from Columbia University in 1849 and then spent the next year abroad. In 1853, he married Caroline Webster Schermerhorn, a wealthy and pedigreed descendant of one of New York's earliest Dutch settlers. Over the next decade, the couple had five children: Emily, Helen, Charlotte Augusta, Caroline, and John Jacob IV.

First Ventures

Astor's grandfather, John Jacob Astor, had been a poor German immigrant who made a fortune in the fur trade and increased it through real estate investments, becoming the wealthiest American of his day. When he died in 1848, his estate was worth more than $20 million. During the life of William Backhouse Astor, Sr., this fortune grew to $45 million. Much of the Astor wealth was in New York City real estate, from fashionable Manhattan properties to overcrowded lower East Side tenements.

As a second son, William Backhouse Astor, Jr., found that elder brother John Jacob Astor III left him little or no role in managing the Astor estate. Lacking direction, the younger Astor pursued his passion for country life and travel.

After the birth of their son, Astor's wife Caroline focused on becoming the uncontested leader of New York



William Backhouse Astor, Jr. (The Granger Collection, New York) society. Their four-story brownstone at 350 Fifth Avenue was the site of countless high-society occasions. While content to fund his wife's social ambitions, Astor took no interest or pleasure in entertaining. He spent much of his time in Europe, at sea, or at Ferncliff, a country retreat he constructed in New York's Hudson River Valley.

Mature Wealth

While his father and brother managed the family estate, Astor led a life of leisure. At Ferncliff, he established stables for horse breeding, one of his favorite pastimes. An enthusiastic yachtsman, he had *Ambassadress* built in 1867, at the time the largest private sailing yacht ever constructed. Two decades later, he commissioned *Nourmahal*, a 250-foot-long steam yacht.

An extended yacht trip along Florida's coast during the 1870's interested Astor in the state's development potential. He constructed a railroad from Palatka to St. Augustine, a block of houses in Jacksonville, and a twelve-thousand-acre town on the St. Johns River. Originally called Manhattan, the town was later renamed Astor in his honor.

In 1875, the elder William died, leaving an estate of at least $100 million. After the payment of various bequests, equal shares of the fortune, an estimated $20 million each, went to sons John Jacob and William. (John Jacob is believed to have received more of the estate, presumably through gifts made during their father's life.)

In 1892, during a visit to Paris, William Astor, Jr., died from lung congestion. He left an estate valued at between $30 and $40 million, most of which he bequeathed to his son. He set up a trust for his wife, providing her $50,000 annually. No more than $5 million was divided among his daughters and their children. Of the $145,000 left to public institutions, $50,000 went to the Astor Library.

Legacy

By the third generation, the Astor dynasty had gained a reputation for making staggering amounts of money (much of it from rents paid by poor tenants living in Astor-owned slums) without contributing significantly to the general community. William Astor, Jr., did little to improve public opinion of his family. An ill-tempered, heavy drinker, womanizer, and absentee husband and father, he would become known as the first of the "decadent Astors." Friends asserted that he contributed extensively to charities; if so, he gave in too discreet and secretive a manner to have won recognition for his generosity. Overshadowed in business by his father and brother and in society by his wife, he chose to live the life of pleasure that his inherited fortune could furnish him.

—*Karen N. Kähler*

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See also: Brooke Astor; Caroline Schermerhorn Astor; John Jacob Astor; Vincent Astor.

Atahualpa

Incan royalty

To Atahualpa and his subjects, gold (called "sweat of the sun"), silver ("tears of the moon"), and other precious minerals were prized primarily for symbolic, religious, or decorative value. However, it was their intrinsic worth that was sought by the Spanish conquistadors, and in relentless pursuit of treasure, they trampled Atahualpa and the Inca Empire into the dust.

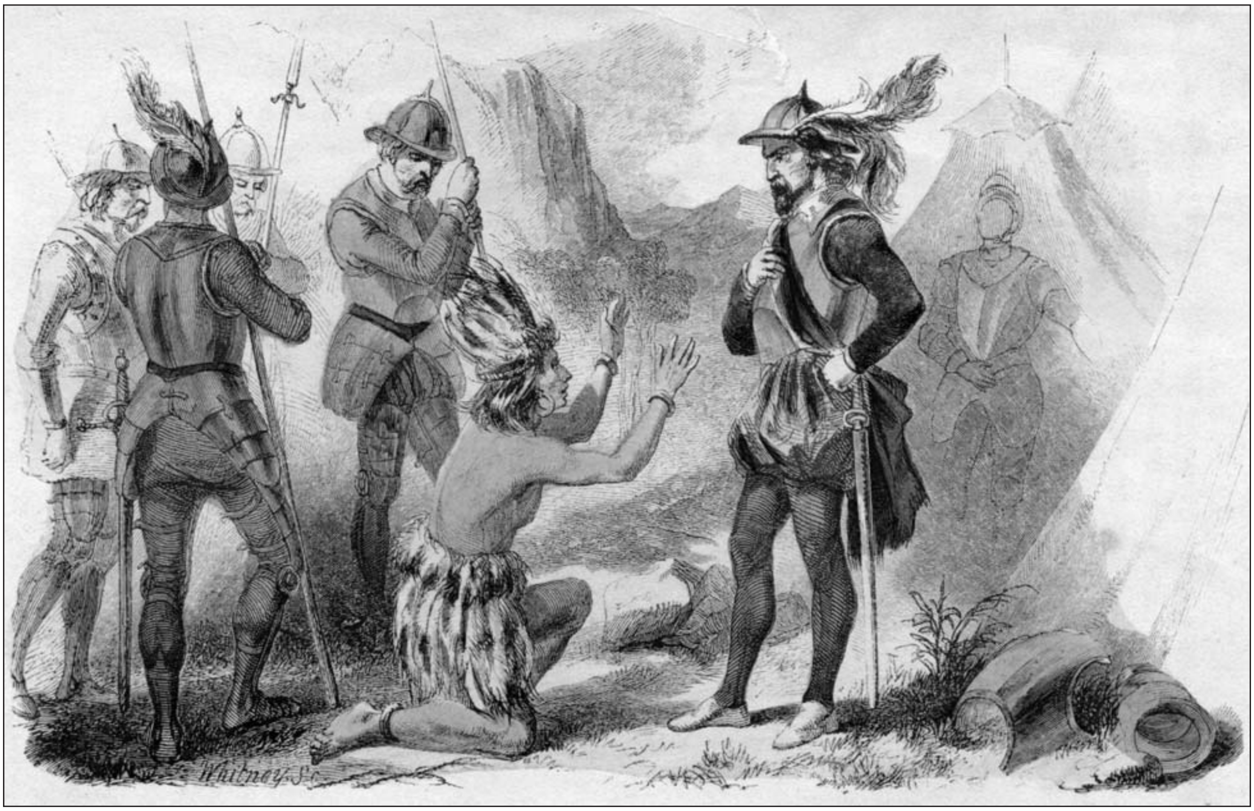
Born: c. 1502; Cuzco, Inca Empire (now in Peru)
Died: August 29, 1533; Cajamarca, Inca Empire (now in Peru)
Also known as: Atahuallpa; Atabalipa; Sapa Inca
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Confiscated

Early Life

Atahualpa (ah-tah-WAHL-pah) was born into a dynamic family in a turbulent era, when the Old and the New Worlds clashed. His mother was a royal concubine and Atahualpa was one of more than fifty children sired by Huayna Capac, eleventh Sapa Inca ("only Inca," or "supreme leader," called "the son of the Sun"). Although Ninan Cuyochi (born c. 1490) was eldest son and first in line to succeed his father as Sapa Inca, Atahualpa was his father's favorite. He enjoyed every privilege of the ultrawealthy, often accompanying Huayna Capac on military campaigns. Huayna Capac was so impressed with Atahualpa's courage that he vowed to divide the Inca Empire between Atahualpa and Ninan Cuyochi.

First Ventures

Atahualpa grew up surrounded by every imaginable luxury among numerous half brothers and half sisters in Cuzco, the richest city in the Western Hemisphere, where tribute poured in from every corner of the empire. In the mid-1520's, the empire was ravaged by a smallpox epidemic. Huayna Capac died of the disease; his heir Ninan



Atahualpa, after his capture by the Spanish conquistadors, kneels before Francisco Pizarro. (Hulton Archive/Getty Images)

Coyochi also perished. Into the vacuum swept Atahualpa's brother Huáscar, lord of Cuzco, who became Sapa Inca in 1527. Atahualpa, meanwhile, took control of Quito in the north. After several years of coexistence, the brothers collided in civil war. Initially, Huáscar prevailed, and his army defeated Atahualpa at Chillopampa and captured him. Atahualpa escaped, regrouped his army, and routed Huáscar's army at Chimborazo. Huáscar was later executed, and Atahualpa also put to death many members of the royal family to eliminate rivals.

Mature Wealth

Atahualpa became Sapa Inca in 1532—just months before the Spanish landed on the west coast of South America. Thus he did not long enjoy the perquisites of his position. As supreme leader, anything within his vast realm was his, and he had the power of life and death over his millions of subjects. Atahualpa had access to an unlimited number of concubines. By law, all gold and silver in the empire belonged to him, and he used gold in great abundance to decorate his palace, gild temples, adorn his person, and surround himself with gleaming objects of great beauty but of only aesthetic value to him. He was carried aloft on a golden throne, and he wore a necklace of emeralds and golden ornaments in his hair.

In late 1532, the Spanish under Francisco Pizarro encountered Atahualpa and his entourage in Cajamarca. In an act of treachery that would often be repeated, the Spanish ambushed Atahualpa's unarmed Indian courtiers and slaughtered thousands. Atahualpa was held hostage. To ransom himself, he offered to fill a large room with the treasures the Spanish wanted. The room was eventually stuffed with gold and silver artifacts. However, the Spanish accused Atahualpa of various acts of sacrilege and strangled him to death. As a result of the murder, additional tons of gold destined for Spanish coffers were allegedly diverted to unknown caches and remain hidden to this day.

Legacy

Material riches meant little to Atahualpa and the Incas, even though they were fabulously wealthy by contemporary standards, because they had no monetary system. Gold, silver, and jewels were merely attractive baubles. Power and control were all that really mattered to the supreme leader, who commanded the ultimate fate of all food, animals, humans, and objets d'art within the empire.

While wonderfully crafted golden objects of Incan handiwork still exist in museums, most treasures obtained from Atahualpa's ransom were melted down to form ingots. Even as the once-powerful Inca Empire quickly fell apart, the empire's gold helped fund the expansion of the Spanish Empire. Ironically, the gold—alloyed with iron, copper, or other metals to increase strength or malleability—was deemed inferior to the gold obtained during the conquest of the Aztecs in the 1520's.

—*Jack Ewing*

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See also: Montezuma II.

Jorge Wolney Atalla

Brazilian sugarcane and biofuels magnate

Atalla, who owned sugar mills and plantations in Brazil, realized that sugarcane could be converted to alcohol and used as a source of power, supplementing the nation's lack of fossil fuels. He became an international representative of Brazil, exporting Brazilian goods around the world and sponsoring a Brazilian Formula One racing team.

Born: 1929; Jaú, Brazil
Died: July 31, 2009; São Paulo, Brazil
Sources of wealth: Manufacturing; agricultural products
Bequeathal of wealth: Relatives; charity; sporting event

Early Life

Jorge Wolney Atalla (ZHORE-jay VOHL-nay ah-TAHL-yah) was descended from Lebanese immigrants who came to Brazil and settled in the booming state of São Paulo, becoming prosperous landholders. His father was a physician and his mother inherited a considerable number of cattle and coffee landholdings. Atalla's family sent him to study in the United States, where he graduated with a degree in petroleum engineering from the University of Tulsa in Oklahoma. However, when his father decided to return to his medical practice, the young Atalla was ordered to return home to manage the family enterprises.

First Ventures

Atalla used his advanced technical education to modernize the family's business operations through technological and managerial improvements. He expanded the family holdings, selecting properties and businesses that were available at bargain prices. His purchases included sugar plantations and mills because a glut of sugar on world markets had reduced their price. Atalla examined alternative uses for sugar, particularly its use in producing alcohol as a combustible fuel.

Brazil's economy was becoming more industrialized, but this growth was hampered by a shortage of fossil fuels. Industrial managers, particularly motor vehicle manufacturers, quickly saw the benefit of using ethanol and other alcohol-based fuels as alternative sources of power. The development of alcohol and alternative biofuels became major national priorities and was subsidized by the government. Atalla led the proalcohol movement and sponsored sugar research institutes. His work helped create fuel for Brazilian motor vehicles, industry, and agriculture. As the need for sugar-derived fuel increased, sugar production, which had traditionally been centered in the northeastern part of Brazil, shifted to São Paulo and other places in the south. Extensive rural areas that were used to grow food were converted to biofuel production.

Mature Wealth

The sugar business was only one of the industries that were part of the Atalla Group. Atalla's conglomerate exported sugar, coffee, iron ore, wood products, and other raw materials. In the mid-1970's, as the price of coffee rose on world markets, Atalla bought Hills Brothers Coffee, an American company based in San Francisco. At this time, it was unprecedented for a Brazilian company to acquire a foreign industrial enterprise. The acquisition projected the image of Brazil as an expanding economic power and earned Atalla the acclaim of other Brazilian businesspeople.

More important, Atalla's international business operations allowed him to expand his export business. Like other twentieth century Brazilian conglomerates, such as the Votorantim Group and Camargo Corrêio, the Atalla Group's international business was dependent on minimized domestic competition. Such conglomerates enjoyed government promotion, sponsorship, subsidies, and regulatory advantages.

Atalla's increasing wealth enabled him to represent Brazil throughout the world. He promoted Brazilian Formula One racing, sponsored by his sugar cooperative, Copersucar (*açucar* is the Portuguese word for sugar). Copersucar race drivers won numerous championships in worldwide competitions.

By the end of the twentieth century, Atalla's accumulating wealth placed him on the *Forbes* magazine list of billionaires, with family holdings valued at approximately $1.3 billion. At the end of his career, however, his sugar enterprise had declined in production and profitability. Despite the attention given to his multinational feats, he was not someone who welcomed public interest in his business ventures. He led a subdued private life, on which there is scant public information. Hardly any obituaries appeared at the time of his death on July 31, 2009.

Legacy

Jorge Wolney Atalla demonstrated that the Brazilian economy had developed to such a point that it could compete in the world arena in the fields of business and sports. He was a leading figure in the Brazilian-Lebanese community and a longtime patron of the Brazilian Red Cross. Ironically, one of his sons, who bore his name, became a cinematographer whose most noted film was a documentary portraying the hardships and injustices suffered by sugarcane workers. The wealth accrued by Atalla and other Brazilian conglomerate leaders reflected the stark income chasm between rich and poor in the economically developing Brazil.

—*Edward A. Riedinger*

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See also: Sebastião Camargo; Francisco Matarazzo; José de Moraes.

Aurangzeb

Mughal emperor

As emperor of Mughal India, Aurangzeb ruled over the richest and most fabled empire in the world. The wealth of India increasingly attracted the European powers to extend their trade, and ultimately their territory, in India.

Born: November 3, 1618; Dohad, Mālwa, India
Died: March 3, 1707; Ahmadnagar, Maharashtra, India
Also known as: Muhī-ud-Dīn Muḥammad Aurangzeb (birth name); ʿĀlamgīr I
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Children

Early Life

Aurangzeb (AW-rahng-zehb), the third eldest of four sons of the great Mughul emperor, Shah Jahan, was born in 1618. He was sent to live with his grandfather, Emperor Jahāngīr, where he was taught in Arabic and memorized the Qurʾān. In 1634, at the age of sixteen, he was given command of a force of ten thousand horses, and the following year he was sent to the south of India, the Deccan, to suppress a rebellion in Bundelkhand. He was then appointed the viceroy of the Deccan, a position he held for eight years.

First Ventures

In February, 1645, Aurangzeb was appointed governor of the rich province of Gujerat. He was an austere, puritanical leader who did not live ostentatiously or succumb to drink and drugs. He ran a strong and effective government, and he was rewarded by his father, who raised his salary to the vast sum of 6 million rupees a year. In 1646, Aurangzeb was sent to head the Central Asian campaign

Aurangzeb. (Library of Congress)

and was then appointed the governor of Multan before leading a campaign in Afghanistan. In July, 1652, he returned to the Deccan as the area's governor, and it was there that he kept the jewels from the sultan of Golconda, even though his father believed they were his property. By this time Aurangzeb was a powerful and wealthy regional leader with a strong and loyal following. Aurangzeb's father, Shah Jahan, fell ill in Āgra in 1657, and Aurangzeb moved north to seize the shah and his enormous treasury. Aurangzeb then waged a murderous civil war against his three brothers, imprisoned his father, and crowned himself emperor on July 31, 1658. Aurangzeb was now one of the richest men in the world.

MATURE WEALTH

Aurangzeb's reign can be divided into two twenty-five-year periods. The first was spent in the north of India, mostly at Delhi and Āgra, where he consolidated and expanded his power and wealth. In Bihar, he defeated the raja of Palamau in 1661 and annexed the raja's kingdom. Aurangzeb also acquired Assam in 1662, although he lost it five years later, and he incorporated Chittagong in 1666. His twenty-one separate provinces generated, on paper, a revenue of 334.5 million rupees. In addition, he collected taxes on the tithes paid by Muslims (*zakāt*), and in 1679 he reestablished the poll tax (*jizya*) on non-Muslims, which had been abolished in 1564. Comparatively small amounts of less than 3 million rupees, or 1 percent of total revenue per year, were also raised through import duties on foreign trade, which played only a small part in the Mughal economy.

The cost of India's imported silver, gold, copper, lead, high-quality woolen clothing, horses, spices, tobacco, glassware, wine, and slaves was offset by the export of cotton goods, pepper, indigo, and saltpeter. Aurangzeb ended the lavish building program conducted by his father, and he was renowned for his comparative miserliness. In 1679 he went to Ajmer to annex Marwar, which led to a military offensive in the Deccan, where he spent the last twenty-five years of his life in a futile attempt to expand his territory.

LEGACY

The Mughal Empire began its rapid decline after the death in 1707 of Aurangzeb because he bankrupted his realm in his attempt to expand it. He was the last of the "great Mughals," as well as a pious and strict Muslim. His reimposition of the poll tax, his prohibition against the building of Hindu temples, and his sanctioning of the destruction of old Hindu temples alienated Hindus and Sikhs and led to rebellion, most famously by the Maratha Hindu ruler, Śivājī. After Śivājī's death in 1680, Aurangzeb was only able to capture Bijapur in 1686 and Golconda in 1687. To control these territories, Aurangzeb moved his capital to Aurangabad in the Deccan. He doubled the size of his military corps to more than fourteen thousand officers as he faced an increasing number of revolts, but his huge, cumbersome army remained vulnerable to guerrilla attack. When he died in 1707 while on military campaign, he was buried in a modest tomb by the side of the road near Aurangabad.

—*Roger D. Long*

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See also: Fateh Chand; Abdul Ghafur; Shah Jahan; Virji Vora; Shantidas Zaveri.

Emilio Bacardi

Cuban liquor company executive

Bacardi used his influence with Cuban insurgents and the Spanish colonial government to maintain and expand the fortunes of his family's rum-distilling business during long periods of rebellion in Cuba. He established the Emilio Bacardi Moreau Museum to house his extensive collections of art and artifacts.

Born: June 5, 1844; Santiago de Cuba, Cuba
Died: August 28, 1922; Santiago de Cuba, Cuba
Also known as: Emilio Bacardi Moreau
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Spouse; children; charity; museum

Early Life

Emilio Bacardi Moreau (eh-MEE-lehoh bah-KARD-ee MOH-roh) was born in 1844 in Santiago de Cuba, Cuba, the eldest of four children of Facunda Bacardi Massó (1813-1866). When Emilio was a child, his father Facundo, a successful retailer, entered the fledgling rum business by purchasing a distillery for 3,000 gold pesos (almost $6,000). At twenty-one, Emilio entered the family business, but he was divided between his duties to the family and his desire to be a leader in the Cuban independence effort.

First Ventures

The period between 1868 and 1878 was marked by internal strife in Cuba that adversely affected the nation's sugar plantations. Bacardi was active in Cuba's effort to gain independence from Spain at the same time he worked in the family business. In 1874, Facundo Bacardi bought out his partners and with his sons formed a new corporation, Bacardi y Compania. Soon the company's products gained international recognition by winning major prizes at world's fairs. Key to the products' successes were the oak barrels in which the rum was cured, the quality of the Cuban sugar and molasses used in the blends, and the secret family recipe that made Bacardi's taste uniquely desirable.

At thirty-three, Bacardi became president of the firm, and he used his connections as a patriot and prominent businessman to promote a product that was distinctly Cuban. In September, 1879, Bacardi was arrested for his involvement in the Cuban independence movement. He was tried and deported to penal institutions in Spain and North Africa. The year 1880 proved deadly for Bacardi's business, and his company, which was nearly $40,000 in debt and lacked cash flow, declared bankruptcy. By 1883, however, Bacardi y Compania had returned to some of its former stability, posting a profit of nearly 23,000 pesos. During this period, Bacardi was torn between his Cuban independence efforts and his partnership within his family company, but he managed to balance both and earn a great deal of respect as a Cuban entrepreneur.

Mature Wealth

Despite the death of his wife in 1885 and his father in 1886, Bacardi began a corporate reorganization that would lead to his company's worldwide fame. Bacardi, as head of both the firm and family, hired Enrique Scheug as the company's financial manager and redistributed ownership of the remaining Cuban distillery to prevent the Spanish government from seizing its operations. In 1888, the Bacardi company's rums won international acclaim in spirits competitions. Profits trebled to nearly 65,000 pesos in 1891. As another period of political instability emerged in 1895, Bacardi kept positive working relations with Cuban sugar planters. However, in 1896, he was arrested and again sent to North Africa after he was found guilty of participating in political activities.

In 1898, Bacardi went to Jamaica, where his family had gone for safety, and in August, 1898, he returned to Santiago de Cuba to resume work. The Bacardi brothers and Scheug managed to survive the political uprisings, but the company earned only marginal profits between 1891 and 1893. However, Bacardi rums proved popular with the American soldiers who came to Cuba at the end of the nineteenth century to fight in the Spanish-American War. American efforts to annex Cuba were under way and General Leonard Wood set up operations there. Wood appointed Bacardi the mayor of Santiago de Cuba. Bacardi became active in rebuilding and restoring Cuba after many years of strife. He was elected mayor of Santiago de Cuba in 1901, and the following year Cuba gained independence from Spain. Bacardi was elected to the Cuban senate in 1905. Ten years later, exhausted from wrangling with the United States and disappointed by aspects of the new Cuban government, Bacardi resigned from politics and fully devoted himself to the family business.

Bacardi led the company into the twentieth century by

The Emilio Bacardi Moreau Museum

Emilio Bacardi Moreau, the Cuban rum executive, founded a museum to house his collection of artifacts in 1899. For many years his museum was a small-scale operation. By 1922, however, the museum's collection had grown large enough to be housed in a Palladian-style building in Bacardi's hometown, Santiago de Cuba. The museum opened in the fall of 1927 and continued to operate into the twenty-first century.

The museum displays a variety of artifacts in three dedicated exhibit areas: the Art Room, the History Room, and the Archaeology Room. Its collection includes an Egyptian mummy and two Peruvian mummies that Bacardi had collected, as well as artifacts highlighting the aesthetic development of Cuban arts, representative items from major world cultures, textiles, and items that once belonged to Cuban patriots, including Antonio Maceo and Carlos Manuel de Cespedes. Museum guides generally describe the holdings as "eclectic," since they appear to be items that Bacardi either liked or was able to obtain in world art markets. In 2006, eighty-four items were stolen from the collection, only to be recovered three days later.

The museum has played a significant role in promoting Cuban art. Before the country became independent, Cuban art either was religious in nature or consisted of decorative objects reflective of Spanish traditions. By collecting paintings by Cuban artists, Bacardi expanded the range of the nation's artwork. Although artistic patronage was a feature of Cuban society from the seventeenth century, the late nineteenth and early twentieth centuries marked a new era in private collecting, particularly of imported artworks from major dealers in Europe. By 1913, there were three public art museums in Cuba including the Emilio Bacardi Moreau Museum—the Museo Nacional in Havana and a museum in Cárdenas—and these institutions followed the Bacardi tradition of exhibiting Cuban regional art as well as international works.

introducing new rum drinks, ably marketed by Scheug, including a mixture of rum and Coca-Cola known as the Cuba Libré (free Cuba) and the daiquiri. The Cuba Libré was named after the slogan of the Cuban independence movement and was a particularly popular drink in the United States. The daiquiri initially was a drink popular with miners and was made from crushed ice, rum, and lime juice. At the 1904 World's Fair in St. Louis, Bacardi rums beat the competition and the company expanded into more global markets. During this time, Emilio Bacardi continued to lead the business from strength to strength with new rum blends and new methods of distilling.

With Bacardi as Santiago de Cuba's mayor and one of Cuba's leading businessmen, philanthropy and corporate growth occurred simultaneously. Bacardi used high-visibility public events, including sponsoring a baseball team, to position his rum brands with the public and to make drinking his company's beverages appear both fun and patriotic. Bacardi moved easily in government circles and his company enjoyed sufficient growth to enable it to add new operations in New York, Puerto Rico, and Barcelona, Spain.

As the business expanded, Emilio's brother, Facundo, Jr., created more new tastes, such as sipping rums that are not mixed with other liquids, promoted more rum-based cocktails, and updated distillation techniques. When certain doctors in Cuba indicated that rum drinking was medicinal, the Bacardi company promoted the health benefits of its products. In 1913, company profits were estimated at more than 175,000 pesos, and they would quadruple by the end of World War I.

In 1919, the company reorganized and incorporated under the name Compania Rum Bacardi, S.A. The company's partners, the Bacardi brothers and Scheug, were all millionaires, and they managed operations valued at roughly $4 million. In the 1920's, Emilio, who was remarried to Elvira Cape, enjoyed world travel, and on his trips he began to collect items for his museum, including an Egyptian mummy. In February, 1922, the company opened another distillery. The firm remained strong because its ownership continued to be held by the Bacardi family, with Emilio and his descendants, as well as those of his brothers, holding $10,000 worth of company stock per person.

Legacy

Emilio Bacardi died on August 28, 1922, and the city of Santiago de Cuba engaged in two days of public mourning for one of its patriots, philanthropists, and leading businessmen. Bacardi was also a journalist and an author of fiction, memoirs, and essays on Cuban politics. When his brother, Facundo Bacardi, Jr., died in 1926, *The New York Times* reported that the family's company was worth $50 million.

—*Beverly Schneller*

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See also: Miguel de Aldama; Adolphus Busch; Manuel Calvo; Edward Cecil Guinness; Antonio López y López; José Xifré.

Raúl Baillères

Mexican banker and businessman

Baillères created a diverse business empire in Mexico during the twentieth century. Favoring free market capitalism over a state-run economy, he founded the Instituto Technológico Autónomo de México (ITAM) in order to train a new generation of Mexican political and economic leaders.

Born: 1895; Silao, Guanajuato, Mexico
Died: January 3, 1967; Mexico City, Mexico
Also known as: Raúl Baillères Chávez
Sources of wealth: Banking; investments
Bequeathal of wealth: Children; educational institution

Early Life

Raúl Baillères Chávez (rah-OOL bi-YAR-ehs CHAH-vehs) was born in 1895 in Silao, Guanajuato, Mexico, the son of Alberto Baillères. As a teenager, he worked with his father, a small businessman who sold seeds and groceries to the local population. With no money and virtually no formal education, Baillères left home in 1915 to seek his fortune in Mexico City. He obtained employment with a local investment firm, the Casa Lacaud. He was subsequently employed by the investment and trade department of the Chase Manhattan Bank in Mexico City. His talent as a silver trader laid the foundation of his future wealth.

First Ventures

During the early years of the Great Depression, Baillères left his job at Chase Manhattan. Taking advantage of the uncertain economic situation, he used his savings to purchase discounted stock in Mexican businesses and financial institutions from foreign investors eager to divest themselves of their Mexican holdings. In 1934, Baillères established Crédito Minero, S.A. (later the Banco Cremi), the first financial lending institution in Mexico primarily dedicated to mining activities. During the 1930's, Baillères, who supported free market capitalism, opposed the state-run corporatist economic strategies promulgated by Mexican president Lázaro Cárdenas. From 1941 to 1942, Baillères was the president of the Asociación de Banqueros de México, the nation's association of bankers. By this time, he had become a leading figure in Mexico's banking and business sectors.

Mature Wealth

During the 1940's, Baillères expanded his financial and business interests. In 1941, he led a group of Mexican investors that purchased the Cervecería Moctezuma, S.A., the largest brewery in Mexico. At the same time, he also acquired a controlling interest in El Palacio de Hierro, an upscale department store in Mexico City reminiscent of Harrods in London. In 1946, Baillères donated 2 million pesos to the presidential election campaign of Miguel Alemán. Alemán defeated opponent Ezequiel Padilla to become the first nonmilitary candidate to be elected president of Mexico since the Mexican Revolution.

On March 29, 1946, in an attempt to create an academically rigorous institution of higher education, Baillères, with the support of several like-minded industrialists and bankers, established the Instituto Tecnológico de México. In 1963, this university was granted autonomous status from the Mexican government and renamed the Instituto Tecnológico Autónomo de México (ITAM). Baillères argued that the national university, the Universidad Nacional Autónoma de México, was infested with leftist professors dedicated to the economic policies of Cárdenas. As such, it was Baillères's goal to create an institution of higher education, modeled on the Massachusetts Institute of Technology (MIT), dedicated to economic change in Mexico. Until his death, Baillères was the president of the Mexican Cultural Association, ITAM's founding entity, and he was an active financial supporter of the institution. In the early twenty-first century, ITAM was one of Mexico's preeminent institutions of higher education, and many people consider ITAM the best private university in the country.

Baillères's financial wealth dramatically increased during the 1950's and 1960's. Following his death in 1967, his vast financial empire was taken over by his son, Alberto. In 2009, Alberto Baillères was the second-wealthiest person in Mexico, with an estimated worth of $6 billion.

Legacy

Although he lacked a formal university education, Baillères created a successful business empire and laid the foundation for a Mexican university that has trained several generations of Mexican businesspeople. Graduates of ITAM, including the majority of the Mexican team that negotiated the North Atlantic Free Trade Agreement (NAFTA) and President Felipe Calderón, who assumed office in 2006, have played a crucial role in the economic liberalization process initiated in Mexico in the 1980's.

—*Michael R. Hall*

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See also: Enrique Creel; Carlos Slim.

George F. Baker

American investment banker

Baker was one of the original directors of First National Bank of New York City, and he built a substantial fortune through his dominant role in banking and investment financing in the late nineteenth and early twentieth centuries. He made significant philanthropic gifts during his life, including donations to Harvard and Cornell Universities.

Born: March 27, 1840; Troy, New York
Died: May 2, 1931; New York, New York
Also known as: George Fisher Baker
Sources of wealth: Banking; investments
Bequeathal of wealth: Children; educational institution

Early Life

George Fisher Baker had little formal education, and no one in his family had any experience in business or finance. Baker worked briefly in a variety of retail businesses before becoming a clerk in New York State's Department of Banking in 1856. Here he became an expert in identifying the notes issued by banks throughout the country, and he grew familiar with the laws and standard practices of banking. Perhaps most important, he also became acquainted with some of the leading men in the state's banking industry, who came to appreciate Baker's expertise in banking matters.

First Ventures

Baker became an associate of John Thompson, one of the principal founders of First National Bank of New York City. This was the first federally chartered bank created under the National Banking Act of 1863. Thompson invited Baker to join this new bank, to invest in it, and to become one of its original directors. Thompson also offered to loan Baker money to buy stock in the bank, but Baker declined the loan because he did not want to assume its debt. Instead he used his own savings of $3,000 to buy his stock. His initial investment bought him thirty shares out of the original issue of two thousand. Later in life, he said he regretted not taking advantage of Thompson's offer and buying more stock.

Mature Wealth

Throughout his career in investment banking, Baker weathered three of the American economy's worst storms—the Panics of 1873 and 1907 and the early years of the Great Depression. The Panic of 1873, caused by the bankruptcy of the Northern Pacific Railway, which in turn led to the failure of Jay Cooke's investment firm, marked a turning point in Baker's career and fortunes. Amid the financial crisis, Sam Thompson, president of First National Bank and the son of John Thompson, wished to liquidate the bank's assets and get out of the banking business. Sam's brother, Fred Thompson, sided with Baker, and the two men worked together to keep the bank open. Baker arranged to gradually buy out the interests of the Thompson family, and he became the principal owner of First National Bank, assuming its presidency in 1877. His fortune at this time was estimated at about $100,000.

In the remaining years of the nineteenth century, Baker became an associate and often a business ally of industrialist and investment banker J. P. Morgan, especially concerning investments in the railroad and steel industries. Morgan also became a director of First National Bank. In 1901, Morgan and Baker were two of the principal investors who created U.S. Steel, the first corporation in the United States to be capitalized with a value of more than $1 billion. Baker also worked closely with Morgan to calm the financial crisis during the Panic of 1907.

Legacy

Having weathered previous financial crises, Baker was not overly concerned about the onset of the Great Depression in 1929. He later conceded he had been foolish to ignore the warnings of his son and other advisers. Baker's fortune may have been as high as $200 million at the beginning of the Depression. When he died in May, 1931, his estate was valued at $73 million. During his lifetime, Baker had made sizable gifts to numerous charities. His largest gifts were several donations to Cornell University, totaling $2 million, and $6 million to Harvard University in 1924 to enable the university to construct and furnish the buildings for the Harvard Business School. Baker also gave $1 million to endow the Baker Library at Dartmouth College, and he financed the Baker Athletic Field at Columbia University in New York City.

—*Mark S. Joy*

George F. Baker. (Library of Congress)

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See also: Jay Cooke; Clarence Dillon; Anthony Joseph Drexel; Otto Kahn; J. P. Morgan; Jacob Schiff.

Steven Ballmer

American entrepreneur and business executive

Ballmer has guided one of the computing industry's most influential companies, Microsoft Corporation, to a place of market dominance. His brilliant marketing strategies and salesmanship, combined with his aggressiveness in promoting his company, brought Microsoft from a small company to a multinational giant that has generated billions of dollars of revenue and revolutionized personal computing.

Born: March 24, 1956; Detroit, Michigan
Also known as: Steven Anthony Ballmer
Source of wealth: Sale of products
Bequeathal of wealth: Spouse; children

Early Life

Steven Anthony Ballmer was born in Detroit, Michigan, in 1956. His father was a middle manager at the Ford Motor Company. Ballmer attended a private high school with his sister, where he was known for the energy and motivation that would become his hallmark at Microsoft Corporation. He attended Harvard University, where he met Bill Gates, who would later be one of the founders of Microsoft. Ballmer graduated magna cum laude with a degree in applied mathematics and economics.

First Ventures

Ballmer started working at Proctor & Gamble in 1977 as an assistant product manager but left within two years. He enrolled at Stanford University's business school in 1979. He dropped out after Gates called with an offer to work at Microsoft and a chance to own 10 percent of the company's stock. Ballmer started as the senior vice president of system software, where he was the head recruiter. Ballmer himself could not program computers, but had an eye for talent. He later moved on to vice president of sales and support. Microsoft worked a deal with International Business Machines (IBM) to create an op-

Steven Ballmer. (AP/Wide World Photos) erating system for their new line of personal computers, which would be known as MS-DOS. Gates and his Microsoft cofounder, Paul Allen, worked on technical issues, and Ballmer dealt with the business aspects of the company.

Mature Wealth

Gates received most of the media attention, especially after the departure of Allen in 1983. Ballmer was in charge of the core of the business—operating systems—in the 1980's. He recruited top students from first-rate universities to work at Microsoft. He pushed the marketing and sales efforts. Where Gates came up with ideas, Ballmer put those ideas into practical application.

Ballmer was the one who saw the importance of Apple Computer, Inc.'s graphical user interface and strove to make sure that Microsoft had a competing product, Windows. He forged deals with major players in the computer industry and helped drive software innovations. Between 1991 and 1995, Microsoft sales increased at the rate of a $1 billion per year; by 1995, company revenues were close to $6 billion.

Ballmer was key to the success of Windows 95 and designed everything from pricing to the distribution of Microsoft's products. His enthusiasm and salesmanship complemented the keen marketing strategies that he crafted for Microsoft's future. In 1995, Microsoft had more than twenty thousand people on its payroll. Because he brought Microsoft to a prominent position in the computer industry, Ballmer did very well financially and was ranked the twenty-ninth-richest man in America. As of 1999, he was worth an estimated $23 billion. In 2000, he became the chief executive officer and president of Microsoft.

Ballmer's aggressive marketing tactics caused some controversy. Two lawsuits in 2001 and 2003 cost Microsoft more than $2 billion. Regardless of these missteps, Microsoft had revenues of more than $26 billion for 2004, and Ballmer's net worth of $12.4 billion placed him nineteenth on the *Forbes* magazine list of the world's wealthiest people.

Legacy

Ballmer is generally hailed as the architect of Microsoft's success. His passion for Microsoft's success led it to the forefront of the computing industry. The mark that he has left on the face of computing is undeniable, as shown by the fact that a commanding majority of personal computers run some kind of Microsoft product. He helped to bring personal computing to a mass audience. The average person can use a computer with more ease because of the innovations that he helped develop and bring to the public. Ballmer uses some of his wealth to donate to political causes.

—*James J. Heiney*

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See also: Paul Allen; Jeff Bezos; Sergey Brin; Mark Cuban; Michael Dell; Larry Ellison; Bill Gates; Steve Jobs; Gordon E. Moore; David Packard; H. Ross Perot.

SIR JOHN BANKS

British merchant, landowner, and banker

Banks is an important figure in the growth of government finance as a source of individual wealth, and his life demonstrates how private bankers played an increasing role in shaping Great Britain's government policy.

Born: 1627; near Maidstone, Kent, England
Died: 1699; Aylesford, Kent, England
Also known as: Sir John Bankes
Sources of wealth: Trade; banking; real estate
Bequeathal of wealth: Children

EARLY LIFE

Sir John Banks was born in Kent, southeast of London, on August 19, 1627. His father, Caleb Banks, was a prosperous woolen draper and substantial landowner, with an income of £800 a year in 1640. Caleb served for a time as the mayor of Maidstone. This town was a particularly fortuitous location for an individual pursuing commerce in the seventeenth century, as Maidstone was one of the principal hubs through which agricultural products passed to supply the city of London, the British fleet, and Great Britain's expanding colonial empire. In an era when water transport was the only practical means of moving heavy goods, proximity to major rivers connecting metropolitan areas was crucial.

Little is known of John Banks's early life. He attended Emmanuel College, Cambridge University, and most probably worked in his father's business until 1652, when he became a partner in a syndicate supplying food to the British navy. At that time, the navy was the most comprehensive and in some respects the largest industry in Britain.

FIRST VENTURES

The years encompassing Banks's early rise in fortune were ones of political upheaval. The struggles between King Charles I and Parliament ultimately resulted in Charles's deposition and execution and precipitated a civil war that lasted from 1642 to 1646. Banks began his independent business career during the administration of Oliver Cromwell and continued it through the Stuart restoration and the reigns of Charles II, James II, and William III and Mary II. The effects of these dramatic political changes on business and commerce in southern England were not profound and could be manipulated to great advantage by a person skilled in keeping a low political profile and meeting the needs of whichever entity had ascendancy. Banks was such a person. As a merchant, he had political sympathies with the parliamentarians; as a conventional Anglican, he had no philosophical attachment to Puritanism. The king and Parliament both depended on the services of well-capitalized merchants and were prepared to overlook past affiliation with political rivals.

Throughout his career, Banks maintained just enough involvement in politics to nurture the connections he

An ambassador for Queen Elizabeth I stands before India's emperor, seeking permission to charter the East India Company. (Hulton Archive/Getty Images) needed to secure government contracts. He represented Kentish boroughs in the House of Commons under Cromwell, Charles II, and William III, but he was always a backbencher on the ministerial side of the Commons. Unlike his father, he avoided civil offices that entailed large financial and ceremonial obligations. In 1661, Charles II made him a baronet, a hereditary honor intermediate between knighthood and the peerage that was generally conferred on financially successful men who contributed to Great Britain's colonial expansion.

The naval supply business, lucrative in its own right, also led Banks to become a government creditor. Cromwell's government, embroiled in a series of wars with the Dutch, was slow to pay suppliers, and undercapitalized merchants were forced to sell promissory notes at a steep discount. Banks eventually realized a considerable profit from these notes and was also able to negotiate increasingly favorable terms on the loans he made directly to the British government. The law set a ceiling of 6 percent interest on loans, but premiums, bonuses, and actual dispensations, readily conferred by a cash-strapped government, could result in a much higher profit.

In 1655, Banks married Elizabeth Dethick, daughter of John Dethick, a wealthy London merchant and a former lord mayor of London. Dethick was a stockholder in the British East India Company and for a time was also a member of a rival syndicate engaged in the East India trade. Elizabeth brought substantial assets and connections to the marriage. The couple had three surviving children. Banks spared no expense preparing his son, Caleb, to take his place as a prominent member of society, at one time hiring the philosopher John Locke to be Caleb's private tutor. Caleb, however, proved a disappointment. He achieved no distinction in any field, never married, and left no heirs when he died at the age of twenty-six. Banks's daughter Mary married Heneage Finch, the second son of a prominent Nottingham businessman and jurist. Finch was later elevated to the peerage as the first earl of Aylesford, and he and Mary inherited most of Banks's estate.

The British East India Company

The British East India Company (also known as the English East India Company or the East India Company), established under royal charter from Queen Elizabeth I on December 31, 1600, was a joint-stock company given a monopoly on sea trade between England and all regions between the Cape of Good Hope and the Strait of Magellan. In its first two decades of operation, this trade consisted mainly of spices from the East Indies and led to direct competition with the already established Dutch trade routes. In 1608, the company founded a transshipment station at Surat, in southern India, which evolved into a fort and trading post. Trade with India expanded rapidly in the seventeenth century, mainly through the establishment of enclaves as stipulated in treaties with the Mughal emperors of Bengal. By 1647, the company had twenty-three factories (trading posts) in India, each with its own factor, or governor, and a defense force under its control. The firm's main items of trade in the seventeenth century were cotton, silk, indigo, saltpeter, and tea.

The political and military control that the company came to exercise over the entire Indian subcontinent developed gradually. King James I, Oliver Cromwell, and King Charles II all granted additional privileges and powers to the company when renewing its charter. Acts of Parliament under Charles II authorized the company to acquire territories, wage war and negotiate peace, mint money, and exercise civil jurisdiction. Robert Clive's territorial acquisitions in the mid-eighteenth century made British India a nation governed by a corporation, while the East India Company Acts of 1773 and 1784 brought the civil and military aspects of the region's administration firmly under the control of Parliament. The company lost its monopoly on the India trade in 1813, and following the Sepoy Mutiny of 1857 the firm was nationalized by the Government of India Act (1858). The tremendous wealth generated by the East India Company made its members a major lobbying force in Parliament and helped shape British foreign and colonial policy for more than two centuries.

Mature Wealth

In the late 1650's, Banks became a partner in the Levant Company, which exported cloth, lead, and tin to the eastern Mediterranean and imported oil, silk, and dyes. In 1661, he became a stockholder in the British East India Company, for which he later intermittently served as director between 1669 and 1685. Direct involvement in these merchant ventures provided substantial income, though for most of the period after 1660 this revenue was overshadowed by the money Banks earned through government finance and rents on landed property.

The saltpeter trade illustrates the complex connections between trade and government policy in seventeenth century England. The government's need for saltpeter for gunpowder manufacture greatly exceeded domestic supplies. Imports from India, channeled through the British East India Company, supplied the deficit. To no small extent, the government needed the gunpowder to fight the Dutch over control of the India trade. Banks and the British East India Company profited at all stages. They enjoyed a virtual monopoly on import, could set their prices, were able to negotiate exemptions from import duties, and, most important, loaned the government the money to buy their product.

Banks also invested in the Royal African Company and served as its director from 1674 until 1676. The company's sole business was the African slave trade, and its activities in attempting to enforce its monopoly precipitated the second Anglo-Dutch War of 1665-1667.

In 1672, Banks negotiated a loan of £36,500 of his own funds and an additional £47,512 of East India Company funds to the government, to be repaid from the rents of "fee farms," or the agricultural land seized from monasteries under Henry VIII. In 1685, Banks had a total income of £7,580 a year, including £2,462 from the British East India Company and £4,163 from rents, including fee farms. His household expenditures were around £3,000 a year and included the maintenance of two large establishments, an impressive town house in Lincoln's Inn Fields in London, and The Friars, a former Carmelite priory in Aylesford that Banks purchased in 1657 and transformed into a fine Caroline mansion.

Increasingly, Banks invested profits from his business ventures in landed property, which was typical in England at the time. Although the landed property produced a smaller return than moneylending or commerce, it was a more secure means of income and brought Banks a measure of prestige that investments in stock did not. The Friars was Banks's country estate, with extensive agricultural lands and the rights to manage the civil life of Aylesford; these rights were originally granted to the priory by the king and remained attached to it when the land was sold to successive owners.

Legacy

At the time of his death in 1699, Banks had an annual income of about £5,000 a year and total assets of £180,000, making him a multimillionaire by early twenty-first century standards and one of the richest men in England. Considering the magnitude of his wealth, he left remarkably little in the way of a direct legacy. He is possibly best remembered as the friend of the diarist Samuel Pepys, the secretary of the navy and a fellow member of the Royal Society, who enjoyed Banks's hospitality and mentions him frequently in his diary. Banks endowed no charities or institutions, and his heirs were distinguished neither by philanthropy nor by profligacy, content to be wealthy country gentlemen with no taste for politics or adventure. The Friars, eventually leased to tenants, burned in 1930. It has since been restored as a historic site but as the original medieval Carmelite priory rather than the seventeenth century mansion.

The effects of the commercial activities that Banks oversaw in India and West Africa were profound, far-reaching, and extremely negative from the point of view of the native populations, but it is difficult to assess how much he was personally responsible for the economic and social conditions in these areas. Were his management of, and profiting by, the slave trade considered pivotal, he would perhaps deserve a place among the villains of history instead of being an obscure figure who did not even qualify for an entry in the encyclopedic *Dictionary of National Biography* until 2004.

—*Martha A. Sherwood*

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See also: James Craggs; Stephen Fox; Thomas Guy; First Duke of Marlborough.

David and Frederick Barclay

British businessmen

The Barclay brothers were listed among the twenty wealthiest people in the United Kingdom in The Sunday Times *Rich List. In 2007, their wealth was estimated at £1.8 billion ($3.2 billion), compared with £750 million ($1.3 billion) in 2004. In 2000, they were knighted for their donations of £40 million ($71 million) to medical research.*

David Barclay

Born: October 27, 1934; London, England
Also known as: Sir David Barclay

Frederick Barclay

Born: October 27, 1934; London, England
Also known as: Sir Frederick Barclay
Sources of wealth: Media; retailing; real estate
Bequeathal of wealth: Relatives

Early Lives

David Barclay was born ten minutes before his twin brother, Frederick Barclay. The brothers were two of ten children born to Scottish-Catholic parents. They grew up in Shepherd's Bush, a working-class area of London. Their father, a salesman, died when they were twelve. The Barclay brothers attended public school until the age of sixteen, when they went to work in the accounts department of General Electric. They later worked as painters and decorators. The brothers have worked as partners for the majority of their lives, although David is often the spokesman for the two.

First Ventures

By the time they were twenty-eight, the Barclays were buying boardinghouses, which they then renovated into hotels. They purchased the Howard Hotel, overlooking the Thames, in 1975. In 1983, they purchased the

David and Frederick Barclay. (AP/Wide World Photos)

Ellerman Group, a brewing and shipping company, for £45 million ($80 million). They began acquiring their wealth when they sold the brewing operations of the Ellerman Group for £240 million ($425 million) within ten years after purchasing the company. Their proceeds from the sale were used to buy the Ritz Hotel in Picadilly in 1995.

The brothers entered the media field by buying two newspapers, *The European* in 1992 and *The Scotsman* in 1995. *The European* later went out of business, and *The Scotsman* was sold at a profit in 2005. In 1998, they relaunched another newspaper, *Sunday Business*, and in 2004 they bought the Telegraph Group, which includes two newspapers and a magazine. The brothers typically buy a business, work with it for a time, and then sell it at a profit. In the newspaper business, this strategy has required them to reduce the number of journalists and to repeatedly replace editors.

Mature Wealth

In 1999, the Barclays partnered with Boots, a leading British pharmacy chain, to create handbag.com, a fashion, beauty, and celebrity Web site. The site was sold in 2006 at a profit of £22 million ($39 million). In 2002, the brothers' financial company, LW Investments, bought Littlewoods, a retail company that owns a chain of department stores and a mail-order catalog. They sold off the department store chain, kept the mail-order catalog, and began selling the company's merchandise on Shop Direct, their online retail business. In 2009, the brothers expanded Shop Direct by purchasing Woolworth's, a venerable but ailing retailer. The Barclays planned to sell Woolworth's merchandise, including its Ladybird line of children's clothing, online at Shop Direct, which maintains a majority of the home shopping market in the United Kingdom. In 2009, the brothers also bought Standard Life Bank to add to their existing retail banking business, Barclays Bank. In addition to the Ritz, the Howard, and other hotels, the Barclays own the Hotel Mirabeau in Monte Carlo, Monaco.

The brothers are tax exiles and list their addresses as Monaco. They own Brecqhou, an island in the English Channel, where they have built a castle for their families; the brothers have three sons and a daughter. The castle required the labor of a thousand employees working in shifts for one year. The island has its own electricity, water, landscaped parks, swimming pools, employee village, and helipad. The Barclays have clashed with the authorities in the neighboring island of Sark over Sark's jurisdiction over Brecqhou.

Legacy

David and Frederick Barclay have had a major impact on the United Kingdom through their newspapers, hotels, online shopping business, and bank. By 2009, their multifaceted empire was controlled by David's oldest son, Aidan. In the twenty-first century, the billionaire brothers were two reclusive knights, living in their own castle on their own island.

—*C. Alton Hassell*

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See also: Richard Branson; Deborah Cavendish; Elizabeth II; John Ellerman; Gerald Grosvenor; Anita Roddick; J. K. Rowling; David Sainsbury.

Ridolfo de' Bardi

Italian banker and merchant

Bardi greatly expanded his family's banking business and other commercial ventures, making the Bardi firm the leading merchant house in fourteenth century Florence. However, his financial involvement in the Hundred Years' War led to a decline in the business he had worked hard to build.

Born: c. 1300; Florence (now in Italy)
Died: c. 1360; place unknown
Also known as: Ridolfo di Bartolo Bardi; Ridolfo di Bardi
Sources of wealth: Inheritance; banking; trade
Bequeathal of wealth: Children

Early Life

Ridolfo de' Bardi (Ree-DAHL-foh dee BAHR-dee) was one of fourteen children of Bartolo di Iacopo Bardi and his wife, Tedalda Acciaiuoli. Bardi's father was a prominent member of Florence's political class and an active member of the cloth merchants guild (Calimala); his great-grandfather Ricco di Bardo (also known as Riccus Bardi) was the patriarch of the clan, siring seven sons. By 1342 the Bardi family claimed 142 adult males, making it one of the largest of Florentine *famiglie* (families). Ridolfo's uncle Iacopo directed the Bardi businesses until at least 1300, leaving Ridolfo's father, who died in 1310, to dabble in politics and administration.

An artist's depiction of fourteenth century Italian bankers. Ridolfo di' Bardi's bank and other commercial ventures made his family's firm the leading merchant house in fourteenth century Florence. (Hulton Archive/Getty Images)

First Ventures

Iacopo's successor was his son Lapo, who was joined as partners by nephews Ridolfo and Giovanni in the year of their father's death. The young men worked under Lapo's direction until his death in 1322. Ridolfo probably represented the firm in Naples during this period, as he was known to be the favorite commercial agent of the kingdom's ruler, Robert.

Mature Wealth

Banking, which included holding cash deposits, loaning cash, arranging transfers at a distance, and exchanging currencies, had been a small part of the Bardi family portfolio. Under Ridolfo's new leadership in 1322, banking played a much larger role, although it presented tremendous risks. From the mid-1320's to 1340, Florence underwent several blows that damaged its reputation and strained its resources, leaving the city-state in deep debt that was parceled out to leading families, including the Bardis.

In the late 1330's, the royal administration in Naples caused a run on the Bardis' bank after the family failed to support a Florentine bid to possess the city of Lucca. The return and fall of Walter de Brienne, Duke of Athens, who ruled Florence from 1342 to 1343, cost Florence 400,000 florins and stirred the lower class to sack the town houses of the wealthy, who had initially supported Brienne. Bardi's immediate family suffered much, sharing part of the 60,000-florin Bardi clan loss. Worse, Robert, the king of Naples, had died in January, 1343, owing 100,000 florins to the Bardi firm, a debt repudiated by his successor.

In 1337, the firm's international dominance began its decline as the first stages of the Hundred Years' War erupted. The French king, Philip VI, pressured Florentine bankers for loans by jailing their compatriots and seizing assets within the kingdom. The English king, Edward III, already deeply in debt to the Italians, sought more cash while letting current debt payments lapse, and royal debt grew. Between 1311 and 1326 the Bardi banks had lent his father, Edward II, some £68,000. Royal revenues, such as customs duties, were assigned to the Bardi firm, which had to collect these funds. Meanwhile, the Bardi banking house continued to provide cash for royal expenses, while Edward III continued to pledge royal and church revenues. Edward granted the Bardi and the Peruzzi families, who, since 1337, had worked in partnership, a monopoly selling royal wool. By the early 1340's, royal claims and Bardi counterclaims led to legal action and a royal audit of the two families' business, during which Ridolfo was imprisoned as a hostage in London. Royal accounts in 1345 acknowledged that the king owed more than £50,000, but he made restitution of less than 1 percent. Panic and runs on the Bardi bank in Florence led to economic chaos. In 1357, Ridolfo lost control of the family business to his brother Filippo.

Legacy

Born into a mercantile clan in an era of great risk taking and great fortunes, Ridolfo de' Bardi rose past his kin to control one of the age's great commercial ventures. Skillfully and patiently he expanded his firm's capitalization and spread its risk among prominent clients, including four kings and a pope. However, his dealings with King Edward III led to the eventual bankruptcy of the Bardi merchant house, which temporarily ruined Florence's economy. Although Bardi was a brilliant businessman, the mere disapproval of a monarch would cause his life's work to crash.

—Joseph P. Byrne

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See also: Orlando Bonsignori; Agostino Chigi; Francesco Datini; Giovanni de' Medici; Lorenzo de' Medici; Jacopo de' Pazzi; Filippo di Peruzzi; Filippo Strozzi.

Francis Baring

British banker, investor, and merchant

Baring was one of the first great British merchant bankers. He helped manage the British government's debt during the American Revolution and the Napoleonic Wars. His financial network extended throughout Western Europe and North America.

Born: April 18, 1740; Exeter, Devonshire, England
Died: September 11, 1810; Lee, Kent, England
Also known as: Sir Francis Baring, first baronet
Sources of wealth: Banking; trade
Bequeathal of wealth: Children

Early Life

Francis Baring was the third of four surviving sons of John and Elizabeth Baring. He was born partially deaf. One of his grandfathers had been a Lutheran pastor in Germany; his maternal grandfather was a prosperous grocer in Exeter in the county of Devon, England. His father was a leading textile merchant in Exeter, then the largest city west of London. His father died when Baring was only eight years old. He was largely brought up by his mother, who had a good business sense, under which his father's business continued to thrive. She extended the business to London. Baring moved to London for his education and then in 1755 was apprenticed to Samuel Touchet, a London merchant, for seven years.

First Ventures

On the completion of this apprenticeship in 1762, Baring joined his two older brothers in setting up two firms or "houses": John and Francis Baring & Co. of London and John and Charles Baring & Co. of Exeter. The Exeter branch needed a London base for many of its transactions. The two houses were interlinked in their finances. In 1767, he married Harriet Herring, the daughter of a merchant in Croydon. Around this time, he also injected some £20,000 into his business. He and his wife eventually had twelve children—six boys and six girls. Harriet Baring died in 1804.

Charles was not a good businessman and Francis frequently had to bail him out. John was also not much interested in the business, preferring to become a member of Parliament for Exeter in 1776. In the end, John became a sleeping partner only. Meanwhile, Francis was being recognized for his business acumen, and by 1771 he was a director of the Royal Exchange Assurance, a post he held until 1780.

The two firms did not do well at first, perhaps because of the brothers' inexperience. Francis's own capital had fallen from £10,000 after his marriage to only £2,500 in 1777. The two houses had to be restructured and separated. Thereafter, Baring prospered.

Gradually, the Barings' business was turning from trading to banking, particularly the financing of import-export trade in its many different facets. Baring acted as London agent for many Western European and North American firms, buying and selling consignments for them, collecting payments, arranging shipping and warehousing, making advances, and accepting bills of exchange.

Of the European houses, the Dutch bank of Hope & Co. was the most important. It had used the Barings for its British deals, and Baring tried to merge his business with Hope. One of the Dutch partners married one of Baring's daughters, and Baring later tried to get his son Alexander to work for Hope. During the Napoleonic Wars at the end of the eighteenth century, Hope was forced to relocate to London, and the firm worked closely with Baring's companies, eventually merging with them.

Before the American Revolution, Baring had seen the potential of trade with the United States. His first American client was a Philadelphia merchant in 1774. Through this contact he was introduced to one of America's richest men, William Bingham. Baring was consulted in the final negotiations over America's independence.

Mature Wealth

Beginning in 1777, the capital of Baring's business rose steadily, from £20,000 in 1777 to £400,000 in 1804. Baring's stake in this was a modest 12 percent in 1777, rising to 54 percent by 1804. Profits likewise rose steadily, from £40,000 during the 1790's to £200,000 by 1802. By then, Baring was taking the lion's share, so that his personal wealth grew from £5,000 when he started in 1763 to £64,000 in 1790 and to £500,000 by 1804. As a result of this expansion, in 1781 two additional partners were brought into the business, though only one, Charles Wall, stayed on, eventually marrying Baring's eldest daughter.

During the American Revolution, Baring had traded in supplies for the British army. He also marketed the British debt incurred by the war, probably making about

£19,000 in profit. After the war, he speculated in American property and bought large chunks of what is now the state of Maine. Several of his daughters married American merchants. He became the London banker for the Bank of the United States. In 1795, he sold some $800,000 worth of stocks for the United States government to help it negotiate with the Barbary States of North Africa, and he also negotiated the purchase of British armaments for the United States.

Baring had won the confidence of London and other European merchants through his good business methods, his sound judgment, and his pleasant manner. He now began to win the confidence of leading politicians in the British cabinet through contacts made by his brother John. His sister had married a member of Parliament. Politicians were impressed by Baring's forward-looking views on the economy and commerce. Prime Minister William Pitt, the Younger, appointed him a commissioner to investigate the payment of fees in 1784. That same year Baring became a member of Parliament for Devon. He served four sessions in Parliament, where he was noted for being a logical speaker, especially when discussing matters of commerce and expressing his belief in free trade. Although he opposed Pitt's war policy against France, seeing it as a waste of resources and a hindrance to trade, Pitt awarded him a baronetcy in 1793.

During the Napoleonic Wars, Baring again bought up government debt over a period of fifteen years, helping to finance a conflict he theoretically opposed. These transactions brought him some £190,000 in profit.

From 1779 he was a director of the British East India Company, a vastly profitable concern that ran all Indian trade. Baring made sure the company retained its monopoly, and he opposed government attempts to control it politically by making India a colony. Pitt commissioned Francis to renegotiate the company's charter.

In 1803, Baring began withdrawing from active management of his firm, and the next year he gave up his partnership. Charles Wall became the firm's manager, with three of Baring's sons assisting. In 1807, the name of the firm was changed from Sir Francis Baring & Co. to Baring Brothers. Baring had already begun to live like a gentleman, purchasing several country houses outside London; by 1803, these homes were worth £60,000. He then decided to settle at Stratton in Hampshire, some sixty miles southwest of London, which he furnished with old masters and luxury furniture and fittings.

BARINGS BANK

Until its collapse in 1995, Barings Bank (1762-1995) was the oldest merchant bank in the city of London. It was founded in 1762 by three brothers—Francis, John, and Charles Baring—who originally established two family firms, one in London and the other in Exeter, with interlinking finances.

The bank's first major venture was its 1803 negotiation of the Louisiana Purchase on behalf of Napoleon I, even though he was at war with England at the time. Technically, the United States bought Louisiana from Barings and its Dutch partners, Hope & Co. Napoleon discounted the purchase price to 87.5 percent, which meant he received only $8.8 million. One of the bank's principals, Alexander Baring, traveled to Paris to confer with the French director of the public treasury before bringing the purchase documents to the United States. The company also helped finance much of the railroad development in North America in the ensuing century.

Barings Bank continued to prosper in the nineteenth century until it overextended itself in transactions with Argentina and Uruguay. In 1890, Argentina reneged on its debt to the bank, and the Bank of England set up a consortium to provide financial relief. Barings received £17 million, the first bail-out package in British banking history. The bank was restructured, its control returned to the Baring family, and it became somewhat more cautious. For example, it refused to get involved in financing the German recovery after World War I, and so was spared the collapse of the German economy ten years later. However, Barings was soon dwarfed by larger banks, as British banking continued to develop.

By the 1920's, the bank had established ties with the British royal family under King George V, and these connections remained until its ultimate demise. During World War II, Barings liquidated British assets in the United States in order to finance Great Britain's war efforts.

Sadly, the demise of the bank came through the illegal speculating of just one man, Nick Leeson, in 1995. Leeson had been operating in Barings's Singapore office for three years, speculating in futures. Lax oversight from London and the breech of some banking regulations enabled Leeson to mount massive debts, far more than the bank was worth. Leeson was jailed but the bank had to be sold.

The Dutch bank ING bought Barings Bank for the nominal sum of £1 and payment of its debts. ING sold off Barings's American business and merged its European business into its own. The name "Baring" only survives as a minor Swiss bank, Banque Baring Brothers Sturdza, S.A., under the direction of Eric Sturdza.

Legacy

At his death in 1810, Baring was able to leave his children some £175,000. His capital at Baring Brothers was £70,000, his estates were worth £400,000, and his paintings were worth £30,000. His son Thomas succeeded to the baronetcy and estates. Another son, Francis, became a member of Parliament, eventually becoming Lord Northbrook.

Although fortunes like Baring's became more common during the Industrial Revolution of the nineteenth century, Baring's rise as a "prince of merchants" was unusual in his time. He can be said to be Great Britain's first merchant banker, instrumental in founding a long-lived firm. His sound financial judgment and honest dealings laid the foundation not only for Barings Bank but also for other merchant banks; this in turn laid the groundwork for London's centrality as the banking and financial capital of the world in the nineteenth century, taking away much of the importance of the Dutch and German financial centers. His ability to handle the national debt gave Great Britain a sound basis for its leadership in its fight against Napoleon I. Baring was truly an international figure, whose company represented Napoleon during negotiations for the Louisiana Purchase, conducted business with the newly created United States and with South American nations, and built railroads throughout North America.

—*David Barratt*

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See also: Samuel Fludyer; Samuel Loyd; Moses Montefiore; Nathan Mayer Rothschild.

Yaḥyā ibn Khālid al-Barmakī

Persian government official and landowner

Chief minister for the legendary Caliph Hārūn al-Rashīd, Yaḥyā ibn Khālid al-Barmakī accumulated vast wealth from government revenues, resulting in the downfall of his illustrious family.

Born: Date unknown; Balkh, Persia (now in Afghanistan)
Died: 805 c.e.; Baghdad (now in Iraq)
Sources of wealth: Inheritance; government
Bequeathal of wealth: Confiscated

Early Life

The Barmakīd family originated in the city of Balkh in the Oxus river valley. Located in what is now northern Afghanistan, Balkh was the capital of Greek Bactria and later incorporated into the Buddhist Kushan empire. The Barmakīds were a priestly Persian family, although different accounts state that their religion was either Zoroastrianism or Buddhism. After the Muslim conquest of the Near East, Khālid ibn Barmak converted to Islam and supported the ʿAbbasīd uprising against the Damascus Umayyad caliphate. When the ʿAbbasīds triumphed, establishing a new Islamic caliphate in Baghdad, Khālid became the chief financial administrator. Khālid's son, Yaḥyā ibn Khālid al-Barmakī (yah-YAH IH-bihn KAH-lihd al-bahr-MAK-ih), was raised in a family of exceeding influence and wealth.

First Ventures

The Arabic ʿAbbasīds increasingly relied on Persians and other non-Arabs to administer their kingdom, and the brilliant Barmakīds proved to be especially able administrators. Yaḥyā served as the governor of Rayy, governor of Azerbaijan, and secretary and adjutant to the royal prince, Hārūn al-Rashīd. In an ominous foreboding, the Caliph Al-Mansūr in 775 demanded that Khālid and his son Yaḥyā pay the caliph the sum of 3 million dirhams. (A silver dirham is roughly equal to \$4; about 10 dirhams equaled 1 golden dinar.) After Al-Mansūr's death, Yaḥyā carefully guided Hārūn to succeed to the caliphate in 786. Hārūn appointed Yaḥyā vizier, an office equivalent to prime minister, and also named him a royal emir and entrusted him with the royal seal.

MATURE WEALTH

In the golden age of the ʿAbbasīd Dynasty, the wealth and opulence of the Barmakīds rivaled that of the caliphate. Yaḥyā, along with his four sons, Jafar, Fadl, Mūsā, and Muḥammad, governed the great Islamic empire. As vizier, Yaḥyā distributed wheat throughout the kingdom, arranged for the swift delivery of mail, and built mosques, roads, and canals. He was granted a large share of government revenues, allowing him to acquire great treasures and vast tracts of land. The Barmakīd palaces lining the Tigris River were the most splendid in the kingdom. Yaḥyā's mansion was lined with gold tile; Jafar's cost 20 million dirhams.

To preserve his position, Yaḥyā distributed millions of dirhams to the leading ʿAbbasīd families and generals. He freely granted money to petitioners and supplicants. He was a patron of the arts and sciences, supporting poets and commissioning translations of Ptolemy's *Almagest* (c. 150 B.C.E.) and a scientific manual on the prism. He sent an expedition to India to gather information on medicinal plants and had two Sanskrit medical texts, including Ravigupta's *Siddhasāra* (ocean of attainments), translated into Arabic.

The great wealth of the Barmakīds, and their extravagance, proved their downfall. In 803, Hārūn ordered the sudden arrest of Yaḥyā and his sons. Jafar, who had been Hārūn's intimate friend, was cruelly executed; Yaḥyā, his three other sons, and his allies perished in prison. Although ʿAbbasīd historians record various motives for this catastrophic turn of events, one stands out: Hārūn had become envious of the power and wealth of the Barmakīds, reputed to exceed his own. Yaḥyā's estate, possessed of 30,672,000 in gold dinars alone, with rumors of vast treasures secreted away, was confiscated. The Barmakīd family was heard from no more.

LEGACY

Few court favorites in history have had as dramatic a fall as Yaḥyā ibn Khālid al-Barmakī. Possessed of his family's ingenuity and resources, he administered the Islamic empire under the greatest of ʿAbbasīd caliphs. His patronage assisted the literary and scientific renaissance of Islam's golden age. However, his success and riches inflamed his master, the caliph Hārūn, who purged the Barmakīd family, neither the first nor the last ministers of state to fall prey to jealous monarchs.

The Barmakīd name is preserved in history. The wonderful Arabic folktales, *The Arabian Nights' Entertainments* (fifteenth century; also known as *The Thousand and One Nights*), recount the cleverness of Yaḥyā, Jafar's adventures with Hārūn, and the family's fall from grace, a story echoed in modern American films, such as *The Thief of Baghdad* (1940) and *Aladdin* (1994). A "Barmecidal" or "Barmedice" feast refers to a lavish but imaginary banquet, and these words derive from the family name Barmakī.

—*Howard Bromberg*

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See also: ʿAbbās the Great; Aga Khan I; Hārūn al-Rashīd; Marduk-nāsir-apli.

Barney Barnato

British diamond mining magnate

From his humble East London beginnings, Barnato, once a stage magician, made a fortune in the South African diamond fields and helped to make the diamond industry an economic powerhouse.

Born: February 21, 1851; London, England
Died: c. June 14, 1897; Atlantic Ocean, near the coast of Madeira
Also known as: Barnett Isaacs (birth name)
Source of wealth: Mining
Bequeathal of wealth: Relatives

Early Life

Barney Barnato (BAR-nee bar-NAH-toh) was the stage name of Barnett Isaacs, who was born in Whitechapel, one of poorest sections of London, in 1851. The son of a Jewish shopkeeper, he left school by age fourteen and took a series of jobs, including bouncer at a public house (tavern). Some of his relatives, including a brother, had moved to South Africa after diamonds were discovered there. In 1873, Barnato also immigrated and joined his brother, who had become a stage magician. According to legend, his stage name came from a part of their act where he would call out, "And Barnett, too," which audiences popularized as "Barnato." Eventually he made it his legal name.

First Ventures

Barnato possessed an excellent business sense. He began buying diamonds from miners and then purchased the mining claims themselves in the Kimberley diamond fields. He eventually formed the Barnato Diamond Mining Company. It is said that his genial, extroverted personality was of considerable help in his quest to secure claims. By 1885, he owned so many claims that he expanded his company by merging it with another, establishing the Kimberley Central Mining Company. Cecil Rhodes (after whom the country of Rhodesia was named) was also purchasing mining claims, and Barnato and Rhodes became rivals who fought to control the majority of the diamond claims. However, their goal was impeded by Compagnie Française de Diamant du Cap, a French company that also controlled numerous claims at the Kimberley diamond fields.

Mature Wealth

Both Barnato and Rhodes made overtures to the French company, and Rhodes was able to raise enough financing to purchase it. He then offered the company to Barnato for no cash but for shares in Barnato's Kimberley Central Mining Company. As a result, Rhodes owned a considerable stake in Barnato's company, which apparently had been Rhodes's real objective all along. The two men continued to battle for control of the diamond business, causing the price of stock in Barnato's firm to triple to almost £50 per share. Rhodes and his associates eventually emerged as the victors, owning three-fifths of the company, and in 1888, Barnato ceded control of the firm. However, some of his unhappy shareholders went to court to try to reverse the transaction. The judge ruled that Rhodes's De Beers Consolidated Mines, Ltd., could buy the assets of Barnato's company if Barnato agreed to place his firm in voluntary liquidation, which he then proceeded to do.

As part of the settlement, Barnato was made a life governor in Rhodes's company, and the influential Rhodes even arranged to have Barnato elected to the Cape Colony assembly. As their part of the £5.339 million transaction, the Barnato brothers retained some £4 million, at this time a fabulous sum. Rhodes's company, renamed De Beers Consolidated Mines Ltd. (which in the twenty-first century remained one of the world's leading diamond merchants), now controlled the vast majority of South Africa's diamond-producing wealth.

Barnato continued to serve as a member of the assembly until 1897, the year of his death. It is speculated that political events in South Africa involving the British and the Boers had greatly affected him personally and financially. It is also possible that he was still unhappy about losing the company he had so diligently built. On a sea voyage with his wife, he apparently committed suicide at the age of forty-six by jumping into the sea from the ship. His body was recovered and buried in a Jewish cemetery in England.

Legacy

The entrepreneurial skills of Barney Barnato helped the African diamond industry to evolve from its somewhat chaotic "Wild West" beginnings, with its multitude of small, low-profit claim holdings, to an organized and extremely profitable business. The De Beers company, of which he was a director, became the world's leading diamond company.

—*Roy Liebman*

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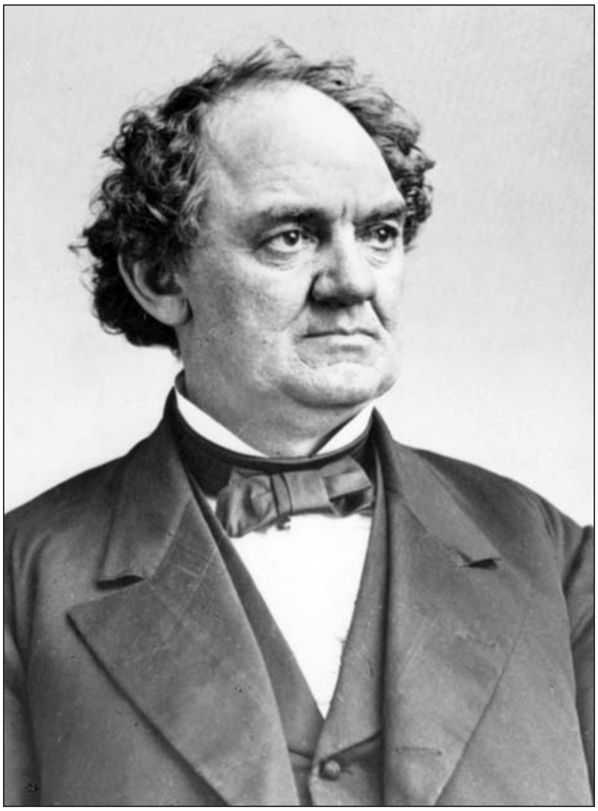
See also: Alfred Beit; Cecil Rhodes.

P. T. Barnum

American entertainer and entrepreneur

Barnum was one of the first people to "make it rich" in the entertainment business. He justified and made it somewhat more acceptable to profit from questionable entertainments, such as his exhibition of persons with physical oddities. Barnum also made money by operating a circus and making it a nationally known touring attraction.

Born: July 5, 1810; Bethel, Connecticut
Died: April 7, 1891; Bridgeport, Connecticut
Also known as: Phineas Taylor Barnum



P. T. Barnum. (Library of Congress)

Source of wealth: Entertainment industry
Bequeathal of wealth: Spouse; children; relatives; charity

Early Life

Phineas Taylor Barnum (FIHN-ee-uhs TAY-lor BAHR-nuhm) did not go to college but started working at a fairly young age. He ran a store, and he also learned the art of the lottery from his namesake, his grandfather Phineas Taylor. Barnum thought it was easier to earn money by running lotteries than by performing physical labor, and he operated a lottery out of his store, in addition to selling merchandise. From this experience in his store he gained skills of self-promotion, learning the dealing and scheming that would come in handy for his later careers as a showman and circus operator.

Barnum also was a frequent writer and became politically active. He spoke out against many reforms desired by church leaders, including the blue laws restricting work and amusements on Sundays. He wrote negative editorials about these reforms in a self-published newspaper. These editorials caused church leaders to sue him for libel, and Barnum spent time in jail. This experience and the ban on lotteries in Connecticut led Barnum to move to New York City. After gaining financial success, however, Barnum returned to Connecticut.

First Ventures

Barnum began his career as a showman soon after moving to New York City. He purchased Joyce Heth, a very aged African American slave, and presented her as George Washington's nurse. Barnum claimed that Heth was more than 160 years old and took her on a tour around the country. Barnum coached Heth about what to say and trained her to sing songs about Washington as an infant. Barnum greatly profited from this hoax. In response to questions about Heth's age and to appear that he had nothing to hide, Barnum offered to autopsy her body upon her death. Barnum conducted a public autopsy, with fifteen hundred people paying admission to get in. When the doctor concluded that Heth was really only eighty years old, Barnum then claimed that Heth was still alive and in Europe. The Heth autopsy was a template for the publicity stunts that Barnum would devise throughout his career.

With the profits from this venture, Barnum launched a touring troupe of what would later be called "circus freaks." He had mixed success, due in part to the economic recession from 1839 through 1843. Barnum survived the downturn and opened a museum in 1842.

Mature Wealth

The museum in many ways was a sort of carnival midway, minus the games, in a fixed building. Barnum continued to employ his trademark advertising with, among other things, balloon rides from the roof and posters in the windows advertising the exhibits. He also continued to plan his various hoaxes and attractions. His first major hoax after buying the building was to exhibit the Fiji Mermaid, which was a monkey's head sewed onto the tail of a fish. Even after most people had debunked the mermaid, Barnum continued to advertise it with the argument that no one knew for sure whether it was a hoax, so the public should come and see for itself.

Barnum never considered that he was cheating his customers if he gave them humbug along with entertainment. He also, it appears, considered his humbug different from the fortune tellers and other traditional carnival attractions. Barnum's exhibits included General Tom Thumb, the stage name of Charles Sherwood Stratton, who was only two-feet tall. Thumb was four years old when he started working for Barnum, even though Barnum presented him as being eleven. Thumb, with help from Barnum, imitated Napoleon I and other famous figures. Barnum and Thumb toured Europe, and Thumb continued to appear in Barnum's troupe for many years. Thumb took part in one of the most famous weddings of the 1860's, in which he married another short person, Mercy Lavinia Warren Bump. Barnum capitalized on every element of the wedding, even displaying Bump's wedding dress in his museum's windows for months after the ceremony.

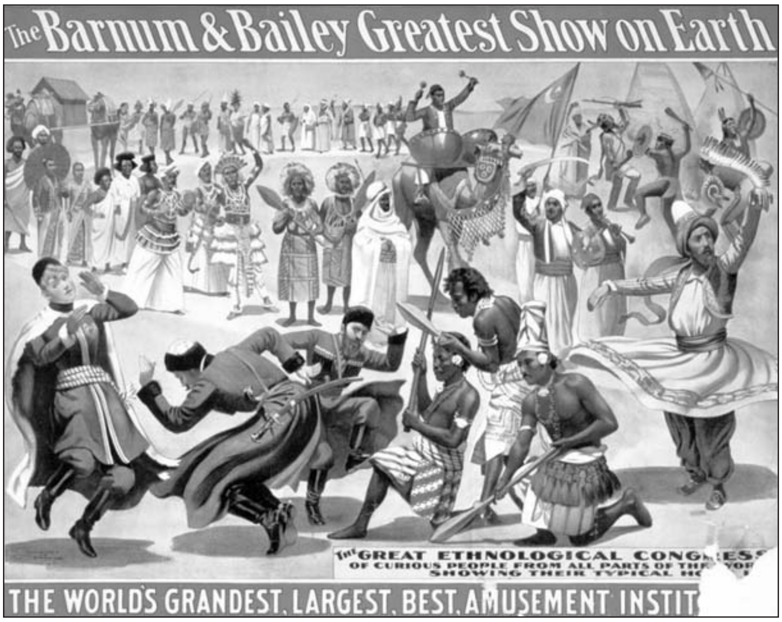
Barnum followed up the Tom Thumb tour of Europe with perhaps his greatest coup—organizing a series of American concerts for Jenny Lind. Lind was a great Swedish singer and was loved in Europe. Without ever hearing her sing, Barnum offered her the unheard-of sum of $1,000 a night to perform in the United States. Lind accepted and the tour was a huge popular success. Nearly everywhere Barnum and Lind went, Lind sang to full houses. The tour also was a financial success for Barnum, repaying him more than his investment. Barnum continued to operate his museum and to conduct hoaxes

Barnum and Bailey Circus

The Barnum and Bailey Circus, which later became the Ringling Brothers and Barnum & Bailey Circus, was the first of the nationally known circus troupes. P. T. Barnum started his circus in1871 as a traveling version of his curiosity show, and he labeled it as such. The word "circus" did not appear in his first advertisements. By 1872, Barnum was calling his attraction "the Greatest Show on Earth," the phrase that has become associated with his circus. Barnum advertised his collection of "freaks" and employed some of the same marketing ploys he had used for his museum. His was one of the first circuses to travel by train and to invent the circus train that eventually became a common feature of these shows. The train allowed his circus to travel more easily in order to perform in numerous venues, making the show a universal attraction.

Barnum relied on the expertise of managers whose circuses merged with his show, while he focused on the promotion of his attractions, including the creation of his "Greatest Show on Earth" slogan. One of these mergers was with the Cooper and Bailey Circus, founded by James Anthony Bailey. Among Barnum's most successful circus promotions was the publicity surrounding Jumbo, a huge elephant. He purchased this elephant from the London Zoo in 1882, buying him for the then-astronomical sum of $10,000 (many people at the time worked for a dollar a day or less). Barnum popularized the term "jumbo," helping to bring it into the American lexicon. In spite of his well-publicized connection with Barnum, Jumbo was with the circus for only three years, dying in a train accident in 1885. Jumbo and the other circus animals were moving across the tracks in a train yard when a locomotive hit the elephant. Most likely, the animal panicked and his handlers were unable to get him out of the way. Ever the promoter, Barnum told a story of how Jumbo charged into the fray, rescued a smaller elephant from the locomotive, and died as a hero. Not content with this promotion, Barnum also displayed the skeleton of Jumbo, along with his stuffed hide.

After Barnum's death, the circus was purchased by Bailey, who continued its operation. In 1907, the Barnum and Bailey Circus was purchased by the Ringling Brothers, creating the troupe that continues to perform into the twenty-first century.



A poster from the mid-1890's advertises the "great ethological Congress of curious people from all parts of the world," one of the exhibits at the Barnum and Bailey Circus. (Library of Congress)

for the rest of his career, but Lind was one of his few high-culture attractions.

Barnum generally had success in his amusements, but he failed in other areas. He went nearly bankrupt several times and had repeated tragedies with fire, including having his mansion burn down, but he always recovered. Barnum opened up theaters and tried to make theatergoing a family activity. He also generally closed his museum on Sunday, in keeping with the moral ideas of the time. In his theaters, he tried to adapt the plays of William Shakespeare and similar attractions for the nineteenth century audience, striving to make these presentations interesting for families. Barnum also continued his self-promotion. He wrote his autobiography, which went through many revisions, and he did not oppose other companies' efforts to publish it, viewing this as excellent publicity.

Some of Barnum's other ventures did not succeed. His investment in a variety of companies in the 1850's led to his personal bankruptcy. However, he hooked up again with Tom Thumb, toured Europe, regained his wealth, and built himself another mansion after a fire destroyed his home. He continued to add oddities and attractions to his shows, exhibiting the first widely publicized conjoined twins, Chang and Eng Bunker. After two fires in the late 1860's, however, Barnum turned to the circus business.

Barnum's circus initially was a touring show of many oddities similar to what might have been seen in his museum. He purchased a rival circus and allowed the former owners to continue running it while he handled its publicity. Tom Thumb and his wife toured with the circus in the early 1880's. Throughout that decade and until his death in 1891, Barnum continued to devote his efforts to his circus business.

Legacy

Barnum left several legacies, one of which he himself disputed. He was alleged to have said, "There's a sucker born every minute," but Barnum himself denied originating or using that phrase. He viewed himself as providing entertainment and argued that people were not suckers if they enjoyed his attractions, even if they never saw what they paid money to see. Thus, if someone paid to see the Fiji Mermaid but only saw a monkey sewed onto a fish, Barnum would argue that it was not a sham if one enjoyed the exhibit. Barnum also tried to revive the theater, and he created the modern traveling circus.

Barnum gave generously to colleges. Tufts University named a hall after him, and the school's mascot is Jumbo, named after the most famous elephant in Barnum's circus. Barnum is less well known for his one-year term as mayor of Bridgeport, Connecticut, and for his advocacy in support of moral censorship laws, including Connecticut's law banning the use of contraceptives.

—*Scott A. Merriman*

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See also: Richard Branson; Mark Cuban; Walt Disney; David Geffen; Robert L. Johnson; Sumner Redstone; Steven Spielberg.

Basil II

Byzantine monarch and military leader

Basil II labored almost obsessively and with great success to maximize the income and wealth of the Byzantine state, which he controlled and effectively owned as basileus *(emperor). He built up such a large treasury that he had to excavate additional storage rooms in the imperial palace.*

Born: 958; Constantinople, Byzantium (now Istanbul, Turkey)
Died: December 15, 1025; Constantinople
Also known as: Basil Porphyrogenitus (birth name); Bulgaroktonos (Bulgar Slayer)
Sources of wealth: Conquest; real estate; government
Bequeathal of wealth: Relatives

Early Life

Basil (BAZ-ihl) II, born Basil Porphyrogenitus, was the son of the Byzantine emperor Romanus II and his second wife, the tavern keeper Theophano. When their father died in 963, Basil and his brother Constantine jointly inherited the imperium as children but held no power. Instead, the monarchy ascended successively to two generals acting as coemperors: Nicephorus II Phocas, who married Basil's mother but was assassinated, with her assistance, several years later, and John I Tzimisces, who married Basil's aunt Theodora. Both generals dealt primarily with wars and diplomacy and were generally successful. Meanwhile, Basil and Constantine developed reputations as self-indulgent and frivolous, more interested in womanizing and other idle pursuits than in statecraft. Their father had the same reputation, and Constantine never changed.

First Ventures

With the death of John I Tzimisces in 976, Basil became sole emperor, and his brother never challenged him. His great-uncle, Basil Lecapenus, a eunuch, held power as chamberlain. Meanwhile, another general, Bardas Skleros, sought to rule as Nicephoras and John Tzimisces had. He was ultimately defeated by rival general Bardas Phocas, who supported Basil II and his chamberlain. At some point, young Basil began to pay more attention to state affairs, and in 985 he finally assumed power himself. Basil Lecapenus was exiled and his vast wealth, much of it a product of corruption, was seized.

By now, Basil II had completely lost his youthful frivolity. He had no interest in scholarship, art, rhetoric, or regal display, and he showed no personal feelings. He never married or had any known royal favorite. He was pious and commissioned a calendar of saints' days, the *Menologion*, and other religious works.

After Basil's brief and unsuccessful campaign against the Bulgars, which Anatolian magnates saw as proof that they should run the state, the emperor faced further civil war. Basil arranged a then-unprecedented royal marriage of his sister Anna to Vladimir I, the crown prince of Kiev, in return for Vladimir's conversion to Orthodox Christianity and his mercenary force, which became Basil's Varangian Guard. The guards' help, the sudden death of Bardas Phocas, and the incipient blindness of the aged Bardas Skleros enabled Basil to unify the empire in 989. Normal tax receipts at that time are estimated at approximately 54,000 pounds of gold.

Mature Wealth

Basil's sole concern was the wealth and power of his empire. For the next thirty years, his primary activity and expense was a long war against the Bulgars, occasionally interrupted in the early years by difficulties in Armenia and Syria. He was finally able to concentrate enough attention in the west to defeat the Bulgars near Serrai. In a notoriously cruel act, Basil blinded most of his prisoners. Samuel, the Bulgarian czar, collapsed and died when the prisoners returned. Basil soon completed the conquest.

Basil annexed Bulgaria entirely, but he treated it leniently, with low taxes paid in kind rather than in gold. He then took care of unfinished business in the east, annexing most of Armenia but never recovering Edessa in Syria. He planned to recover Sicily from the Arabs, but he died first.

Bardas Skleros, whom Basil asked for advice in 989, recommended that Basil assess high taxes and other exactions upon the great magnates. Basil accepted this advice, and in 996 he confiscated the land that the magnates had acquired during the past sixty years. Much of this property was returned to small landholders, and much of it went to the emperor. Basil subsequently required that the magnates pay all of the taxes that the local peasants were unable to pay. One source reports that Basil remitted taxes for two years near the end of his life.

Legacy

The Byzantine Empire reached its apogee under Basil II, and when he died in 1025, he left a treasury estimated at 200,000 pounds of gold. However, he failed to leave an heir, and his brother succeeded him as Emperor Constantine VIII. The decline of the Byzantine Empire began almost immediately after Basil's death, with much of the treasury spent on imperial frivolities. However, the imperial downfall was well cushioned for half a century thanks to the wealth that Basil left behind, and the empire temporarily expanded in the east and in Sicily.

—*Timothy Lane*

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See also: Süleyman the Magnificent.

Robert Bass

American investor

Bass was ranked as the 176th-richest person, with a net worth of $4.5 billion, in Forbes *magazine's 2010 list of the world's billionaires. He and the equity firm he founded have invested in a wide variety of businesses, including the media, publishing, oil, aircraft, and financial services.*

Born: 1948; Fort Worth, Texas
Also known as: Robert Muse Bass
Sources of wealth: Inheritance; oil; investments
Bequeathal of wealth: Relatives; charity; educational institution

Early Life

Robert Muse Bass was one of four sons born to Perry Richardson Bass and Nancy Lee Muse Bass. His uncle was Texas oil tycoon Sid W. Richardson, who was one of the wealthiest people in the United States when he died in 1959. Bass and each of his brothers inherited $2.8 million from their uncle. Part of Bass's education was received at two preparatory schools, Phillips Andover Academy and Governor Dummer Academy (now The Governor's Academy). He earned a B.A. from Yale in 1971 and an M.B.A. from Stanford University in 1974. Bass began his career at Wells Fargo Bank, and in 1974 he joined Bass Brothers Enterprises, the investment vehicle that Bass's father had organized for his sons.

First Ventures

Although Bass began to invest on his own in 1983, he continued to work with his brothers, controlling one of the largest private oil companies in the United States. Bass earned hundreds of millions of dollars in the late 1980's, buying up banking institutions that were in trouble, correcting the problems, and reselling the banks for a profit. One example of these ventures was the acquisition of American Savings Bank, which Bass eventually sold to Washington Mutual Bank in 1996.

Mature Wealth

Bass founded Oak Hill Capital Partners, a private equity firm, in 1999. He later established two associated companies, Oak Hill Capital Management Partners and Oak Hill Capital Partners II; the latter firm purchased companies, restructured them, and eventually resold them. Bass's firms have made several billion dollars worth of investments in numerous enterprises, including *The New York Times'* Broadcast Media Group, consisting of nine televison stations; the Duane Reade drugstore chain; GE Capital International Services, an Indian outsourcing company; The Container Store, Inc.; Alibris, an online book exchange; Jacobson Companies; Caribbean Restaurants, Burger King's exclusive franchisee in Puerto Rico; Southern Air Holdings, Inc.; Primus International, Inc.; and the Atlantic Broadband Group. One of Oak Hill's tactics is to invest in enough stock to force a company to restructure and to become more profitable—or risk being taken over by Oak Hill; either way, Bass's companies obtain a profit on their investments. Bass also founded Keystone, Inc., Oak Hill Venture Partners, and Oak Hill Securities Funds. As chairman of Aerion Corporation, he is a leader in the development of a supersonic business jet.

Although Bass's three brothers are all billionaires, he is the richest of the clan. Following his father's lead, he has donated a great deal of money to spur the growth of Fort Worth, Texas, especially in the city's downtown area, where many buildings have been remodeled.

Legacy

Although some people are made uncomfortable by the changes required when Bass acquires a business, his takeover generally results in a more profitable enterprise that benefits everyone involved in the venture. Bass's reorganizations and investments have changed many businesses and, in the process, have changed the lives of millions of Americans. Bass is also a generous philanthropist. He has given $13 million to renovate the Yale University library, $25 million to Stanford University, and $10 million to Duke University. In addition, he has devoted his time to causes that are important to him. For example, he fought construction of a highway in Fort Worth that would have demolished part of the city's historic district. Bass has been a chairman of Stanford Management Company, the National Trust for Historic Preservation, and Cook Children's Hospital, and in 2009 he was a trustee of Rockefeller University, Groton School, Middlesex School, and the Amon Carter Museum.

—C. Alton Hassell

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See also: Warren Buffett; Carl Icahn; Kirk Kerkorian; T. Boone Pickens; George Soros.

Jan Antonín Bat'a

Czech industrialist

Through his organizational genius, Bat'a presided over the growth of a moderately successful Czech shoe company that he turned into an international giant.

Born: March 7, 1898; Zlín, Moravia, Austro-Hungarian Empire (now in Czech Republic)
Died: August 23, 1965; São Paulo, Brazil
Also known as: Jan Bat'a; The King of Shoes
Sources of wealth: Trade; sale of products
Bequeathal of wealth: Relatives

Early Life

Jan Antonín Bat'a (yahn AHN-toh-neen BAH-tya) was born in 1898 in Zlín, Moravia, which was then part of the Austro-Hungarian Empire and is now in the Czech Republic. The Bat'a family had been cobblers for many generations when it established a small shoe-manufacturing company in 1894. The family first became rich when it supplied shoes to the military during World War I. Following the war, Czechoslovakia (what is now the Czech Republic and Slovakia) became an independent country, and the Bat'a firm was one of the first companies in the world to mass-produce shoes.

First Ventures

Upon the death of his half brother Tomas in an airplane crash in 1932, Bat'a assumed control of the family's company. By that time, the firm employed about 16,500 people and was internationally famous. Under his leadership the company began expanding from its base in Zlín throughout Europe, North America, India and other Asian countries, and North Africa.

Mature Wealth

Bat'a continued to grow his company, and by 1942 business had increased sixfold, with the firm employing almost 108,000 people worldwide, including at subsidiaries in the United States and Canada. He also diversified Bat'a products to include the manufacture of tires, chemicals, and textiles, established department stores, and even branched out into railroads, film studios, and airplane manufacturing. The company became the second largest in Czechoslovakia, after the Škoda Works, a munitions manufacturer. Many of the Bat'a factories were located next to small towns, dubbed Bat'a-villes, that were based on the "ideal city" concept and were built to house the firm's workers.

Following the German occupation of Czechoslovakia in 1939, Bat'a and his family left for the United States and remained there for more than a year. When he decided to leave he was placed on an international blacklist by the British government, who accused Bat'a of Nazi Party sympathies because his company had continued operating in Czechoslavakia during the German occupation. Bat'a sought refuge in Brazil, and while there he eventually founded several towns.

It is reported that Bat'a supplied aid to numerous Czechoslovakian Jewish families during World War II, helping them to escape the country, and that he also saved many other Czechs from being used as Nazi slave labor. He also reportedly sent financial assistance to the Czech government in exile in England. Following the war, the Czech government nationalized the Bat'a Shoe Company. Bat'a was accused, in absentia, of crimes against the state but was acquitted of some sixty-four charges.

When the Communists seized control of Czechoslovakia in 1948, Bat'a was again tried in absentia and sentenced to fifteen years. Once known as the King of Shoes, he was now portrayed as an exploitive capitalist, and his name was removed from the company, which was now to be called Svit. The company continued to be operated by the Bat'a family in other countries, however.

With Bat'a in exile in Brazil and his nephew Thomas J. Bata living in Canada, the company's operations were split in two. There began a struggle for control of the company, engendering many lawsuits, and young Thomas finally won complete control in 1949. In the early twenty-first century, the Bata Shoe Organization was headquartered in Lausanne, Switzerland, employed more than forty thousand people, operated thirty-three factories in twenty-two countries, and maintained a chain of five thousand retail stores in more than fifty countries. In late 2007, more than forty years after his death, Bat'a was finally cleared by the Czech judiciary.

Legacy

Jan Antonín Bat'a took over an already prosperous company, and through his organizational skills made it into an international powerhouse, with an estimated fourteen billion pairs of shoes sold by 2009. His visionary establishment of the Bat'a-villes, with their modern facilities for his employees, helped maintain a generally content workforce. If reports are true, his aid to the legitimate Czech government and people during wartime was of material assistance to the welfare of his native country.

—*Roy Liebman*

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See also: Giorgio Armani; Ralph Lauren.

Lord Beaverbrook

Canadian and British newspaper publisher, investor, and politician

Beaverbrook gained a fortune in Canada and later in England by selling bonds and investing in businesses with economic potential, notably in British newspapers. He created the Beaverbrook Foundation to continue his charitable interests after his death.

Born: May 25, 1879; Maple, Ontario, Canada
Died: June 9, 1964; Cherkley, Surrey, England
Also known as: Sir William Maxwell Aitken, first Baron Beaverbrook; William Maxwell Aitken (birth name)
Sources of wealth: Media; financial services; investments
Bequeathal of wealth: Children; charity

Early Life

Sir William Maxwell Aitken, first Baron Beaverbrook, was born in Maple, Ontario, on May 25, 1879. His family soon moved to Newcastle, New Brunswick, Canada, where his father, a Presbyterian minister, had accepted a new position. Aitken always identified Newcastle as his hometown. Described as a mischievous boy, his "puckish" character remained with him his entire life. Uninspired by school, he made pocket money by devising numerous stratagems, such as selling soap to obtain a bicycle. At the age of thirteen he founded a newspaper, a career he would pursue with greater success later in life. After failing the Latin examination for university he accepted a position as a law clerk, but he spent time selling life insurance and as a correspondent for a local newspaper. He bought a bowling alley, which he resold at a profit, and he lost money investing in frozen meat, which was ruined in a thaw.

First Ventures

In 1900, he abandoned selling insurance policies in favor of selling bonds. The Canadian economy was booming, but the stock exchange was limited in scope and most businessmen purchased bonds. Aitken was an excellent salesman, whose integrity was beyond dispute. With his commissions, he bought stagnant companies, made them profitable, and sold the now more valuable stock, and he then moved on to invest in other companies. His Royal Securities Corporation was the first company to sell bonds in eastern Canada.

Mature Wealth

By 1907, Aitken had become a millionaire in Canadian dollars. However, he was involved in disputes with his fellow investors in the Royal Securities Corporation; his partners wanted higher dividends, but Aitken preferred to retain profits for future investments. His success in part was due to his appreciation of the value of personal publicity, and in the early twentieth century publicity meant coverage in newspapers. The apex of Aitken's financial accomplishments occurred in 1909 and 1910, when he organized a number of successful mergers in such businesses as cast-iron manufacturing, railroad freight car construction, and the cement and steel industries. His appreciation of a unified Canadian market was in part a reaction to the growing economic power of the

Lord Beaverbrook. (Library of Congress)

United States. Aitken saw the British Empire as a potential economic unit, and for the rest of his life he championed the cause of "imperial preference" which would knit the empire into a single economic whole by encouraging free trade within the empire and establish tariffs against nonempire nations.

In 1908, Aitken made his first trip to London, where he acquired several new businesses, including London's Colonial Bank. He was introduced to Bonar Law, a Conservative Party politician and a fellow Canadian who shortly became Aitken's greatest hero. Aitken returned to England in 1910, and although he frequently said he would eventually make his permanent residence in Canada, he never did. Through his business connections in London—he briefly became a major shareholder in Rolls-Royce—he became involved in politics as a member of the Conservative Party. His tie with Law strengthened, and he developed connections with several of England's major publishers and journalists, notably Lord Northcliffe of the *Daily Mail*, an icon of "popular" journalism, and R. D. Blumenfeld, editor of the *Daily Express*. With Law's support, in 1910 Aitken was elected a member of Parliament from Ashton-under-Lyne, a textile center near Manchester. Aitken only rarely attended Parliament, preferring then and later to be a go-between among the major politicians of the day, working out compromises and obtaining solutions. When World War I came in 1914, he published a newspaper for Canadian troops in Great Britain and France, as well as creating the Canadian war records office.

In Britain, Aitken's most lasting economic endeavor was in the newspaper business. In 1911, he invested in the *Daily Express*, which had been failing financially. He acquired a controlling interest in the newspaper in 1916. At the same time he was deeply involved in the machinations that brought down Prime Minister H. H. Asquith, bringing to power David Lloyd George, who requested that King George V grant Aitken a peerage, in part because of the support the government was receiving from Aitken's newspapers. In February, 1917, Aitken took his seat in the House of Lords as Lord Beaverbrook, the name taken from a stream where he had fished as a boy. In the new government, Beaverbrook became the chancellor of the duchy of Lancaster and was placed in charge of war propaganda. He resigned his position at the end of the war in 1918, vowing never to hold office again unless there was another war. Beaverbrook enjoyed politics, and although he remained a Conservative, he was never a reliable party politician. After World War I he disposed of Royal Securities Corporation and the Colonial Bank; newspapers became his central interest.

Beaverbrook used his newspapers to publicize himself and to advocate his long-standing commitment to

BEAVERBROOK ART GALLERY

In 1947, Lord Beaverbrook became chancellor of New Brunswick University at Fredericton, New Brunswick, Canada. He already had a long connection to the university, and through the years he had provided many scholarships, as well as funding the Lady Beaverbrook Gymnasium and the Lady Beaverbrook Residence for men.

An old friend of Beaverbrook, Sir James Dunn, was an art patron at Canada's Dalhousie University, and the always competitive Beaverbrook decided to emulate Dunn. Beaverbrook had little interest in art and limited tastes, which included English landscapes, such as those of J. M. W. Turner and John Constable, portraits by Sir Joshua Reynolds and Thomas Gainsborough, and the French painters François Boucher and Jean-Honoré Fragonard, with their voluptuous females. He also acquired paintings by his friends, including Winston Churchill, Walter Sickert, and Graham Vivian Sutherland, who had painted a portrait of Beaverbrook. Beaverbrook's collection, along with several works by Salvador Dalí from Beaverbrook's last wife, Christofor Dunn (Sir James Dunn's widow) was donated to the Beaverbrook Art Gallery when it opened in 1959. William Constable, a descendant of the early nineteenth century landscape painter John Constable, officiated at the opening.

One biographer suggests that Beaverbrook believed his own collection was sufficient for the gallery; thus the gallery was complete in 1959. In any event, he made little provision for additional purchases or further expansion of the gallery's facilities. The gallery did continue to add to its collections, focusing on paintings by Canadian artists. In 1994, the gallery was officially designated as New Brunswick's Provincial Art Gallery.

In 2003, a dispute occurred between the Beaverbrook Art Gallery and the Beaverbrook Foundations of the United Kingdom and Canada. The foundations demanded that the gallery return the numerous paintings that Beaverbrook had donated, intending to sell them at auction to raise funds for the foundations. In a legal decision rendered in 2007, it was decided that 85 of the 133 contested works would remain with the gallery. The United Kingdom foundation was unwilling to accept that award and appealed the decision, but in 2009 the appellate court ruled in favor of the gallery.

imperial preference, but he was also sincerely interested in publishing the best possible newspapers. He invested heavily in the *Daily Express*, and he increased the newspaper's profits by expanding its advertising, an innovative practice that eventually was adopted by most other newspapers. However, he also was a strong believer in providing "news," and his publications had more foreign correspondents than any of the other British newspapers. In 1918, Beaverbrook started publishing a second newspaper, the *Sunday Express*, and in time this newspaper held an important position among elite newspapers, such as *The Sunday Times* and *The Observer*, and popular but at times salacious publications, such as *News of the World*. Although London was the center of English newspaper publishing, Beaverbrook also founded the *Scottish Daily Express*. In 1923, he acquired the *Evening Standard*. Beaverbrook allowed the editors of his newspapers to have considerable leeway in both content and policies, although he exerted his control in his advocacy of empire and in his opposition to socialism and any British involvement in European or continental affairs.

Beaverbrook remained a wealthy man during the Great Depression. In early 1929 he sold his stocks and put the money in bonds, thus insulating himself from the worldwide stock market crash. As a solution to the economic crisis, Beaverbrook, through his newspapers, launched an "Empire Crusade," which was a continuation of his long campaign for imperial preference. This campaign fared no better than his earlier attempts because there was widespread fear among voters that imperial preference would result in increased food prices. As the shadow of fascism spread across Europe, Beaverbrook favored a policy of "No More War" through British isolation from continental affairs. He opposed the League of Nations, believing the organization was more likely to lead to war than to peace. Through his newspapers, he continually predicted that there would be no war in Europe, or no war that would involve Great Britain. However, Britain declared war on September 3, 1939, after Nazi Germany invaded Poland. After the crushing German campaign in Western Europe, in May, 1940, Winston Churchill became prime minister. After the fall of France in June, the Nazis turned against Britain. One of Churchill's earliest acts was to appoint Beaverbrook the minister of aircraft production. In this position, Beaverbrook's energy and unorthodox methods enabled Britain to win the Battle of Britain, and this victory was perhaps "his finest hour."

After World War II, Beaverbrook withdrew from politics. He opposed the socialism of the Labour Party and deplored the developing Cold War between the former allies. In addition to his English residences, he acquired a home in southern France and two in the West Indies, and throughout the year he journeyed from one to another, always keeping in close contact with his newspapers by telephone. He wrote several well-regarded works on the events and people of the World War I years.

It is impossible to know the extent of Beaverbrook's fortune because he gave much of it away during his lifetime, but one biographer estimates it was in the range of $40 million. His benefactions were often in the form of investments that he made in the name of the recipient and were distributed to members of his family, friends from childhood, political friends and foes, educational institutions, and the Presbyterian Church. In 1906, he married Gladys Drury, who was from one of Canada's most distinguished families. It proved to be a satisfactory marriage, and the couple had three children. Beaverbrook had other female relationships, but he was devastated when Gladys died in 1927. For many years his closest female companion was Mrs. Jean Norton until her death in 1945. In 1963, the year before his death, he married Christofor Dunn, the widow of an old Canadian friend.

Legacy

Beaverbrook's major economic legacy was his profitable British newspapers, particularly the *Daily Express* and *Sunday Express*, which provided England's middle classes with publications that were readable and interesting and presented accurate coverage of the major news stories of the day. In 1954, he established the Beaverbrook Foundation, which supports numerous charitable causes in Canada and the United Kingdom.

—*Eugene Larson*

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See also: Walter Annenberg; Barbara Cox Anthony; Anne Cox Chambers; Katharine Graham; William Randolph Hearst; Samuel I. Newhouse.

Ninth Duke of Bedford

British aristocrat, agriculturalist, and politician

The dukes of Bedford are from an old, established, aristocratic family who own estates, London property, and stately homes. The family historically was involved in government and often served in the military, and the ninth duke of Bedford maintained both of these traditions.

Born: October 16, 1819; London, England
Died: January 14, 1891; London, England
Also known as: Francis Charles Hastings Russell (birth name)
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Children

Early Life

Francis Charles Hastings Russell, the ninth duke of Bedford, was the grandson of John Russell, sixth Duke of Bedford. His father, Major-General Lord George William Russell, was the duke's second son and a soldier, fighting in the Crimean War, and an aide-de-camp to King William IV and the young Queen Victoria. His mother was Elizabeth Anne Rawdon, also from an aristocratic family, a somewhat ambitious lady praised by Lord Byron. His parents married in 1817.

Bedford followed his father into the army, entering the Scots Fusilier Guards in 1838. He retired after his marriage to Lady Elizabeth Sackville West in 1844. The couple had four children, two boys, George and Herbrand, and two girls, Ella and Ermyntrude. Again following his father's footsteps and the family tradition, Bedford entered politics, becoming a Liberal Party member of Parliament for Bedfordshire from 1847 to 1872. In 1866, he broke with Prime Minister William Ewart Gladstone over the Irish Home Rule Bill, and thenceforth Bedford sat as member of Parliament from the Unionist Party.

First Ventures

It was Bedford's uncle, also named Francis Russell, who had inherited the family title on the death of the sixth duke. The Bedfords had a long history as aristocrats, dating back to the time of Henry VIII in the sixteenth century. Woburn Abbey, in Bedfordshire, had been given them by Henry's son, Edward VI, in 1547. The abbey, now one of England's grandest stately homes, had been a Cistercian abbey and became the main family residence in 1619.

Bedford's cousin, William, then became the eighth duke on the death of his father, but he died without an heir in 1872. As a result, Bedford became the ninth duke, and he was thus elevated to the House of Lords; his position as a member of Parliament ended, and he inherited Woburn Abbey, its estates in Bedfordshire, and many other estates throughout England, totaling some 90,000 acres. He also inherited large properties in fashionable areas of London near Woburn Square and Tavistock Square in Bloomsbury, later identified with the British Museum.

Mature Wealth

Woburn Abbey had been largely redeveloped by John Russell, the famous fourth duke of Bedford in the eighteenth century, and was then landscaped by noted landscape architect Humphry Repton in 1802. The ninth duke decided not to make additional improvements to the abbey but developed his estates around Tavistock in the West Country and in the fens of Cambridgeshire. He also turned his attention to the agricultural condition of his estates, becoming involved in experimental work, especially with fertilizers and stock breeding. In 1879, he succeeded the Prince of Wales as president of the Royal Agricultural Society, a public acknowledgment of his endeavors. He also improved his Bloomsbury estate, which increased its value by about £1 million.

Bedford channeled his political interests into being the lord lieutenant of the county of Huntingdon between 1884 and 1891, while his wife became the mistress of the robes for Queen Victoria from 1880 until 1883. In 1880, Bedford was made a Knight of the Garter, a select group of leading men of public affairs. However, at this time he also became increasingly hypochondriacal, and in 1891, after contracting pneumonia, he shot himself through the head while temporarily insane.

Legacy

Bedford bequeathed the family estates to his older son, George. These properties had increased in value and quality, largely because of their agricultural improvements. It is perhaps no coincidence that in the twenty-first century Woburn Abbey survived as a leading British stately home, and the house, furnishings, and art treasures are open to the public. In 1970, Safari Park, a menagerie of African animals, was opened to the public on the grounds of the estate.

—David Barratt

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See also: John Deere; Charles Henry de Soysa; Henry Francis du Pont; Hugh Grosvenor; Cyrus Hall McCormick; First Duke of Sutherland; Tan Kah Kee.

Alfred Beit

British mining magnate

Beit was one of the most important of the Randlords—the magnates who exploited the mineral wealth in Great Britain's Cape Colony (now in South Africa). He was also a generous philanthropist, creating the Beit Trust in order to benefit the people of southern Africa.

Born: February 15, 1853; Hamburg (now in Germany)
Died: July 16, 1906; Welwyn, England
Source of wealth: Mining
Bequeathal of wealth: Relatives; charity

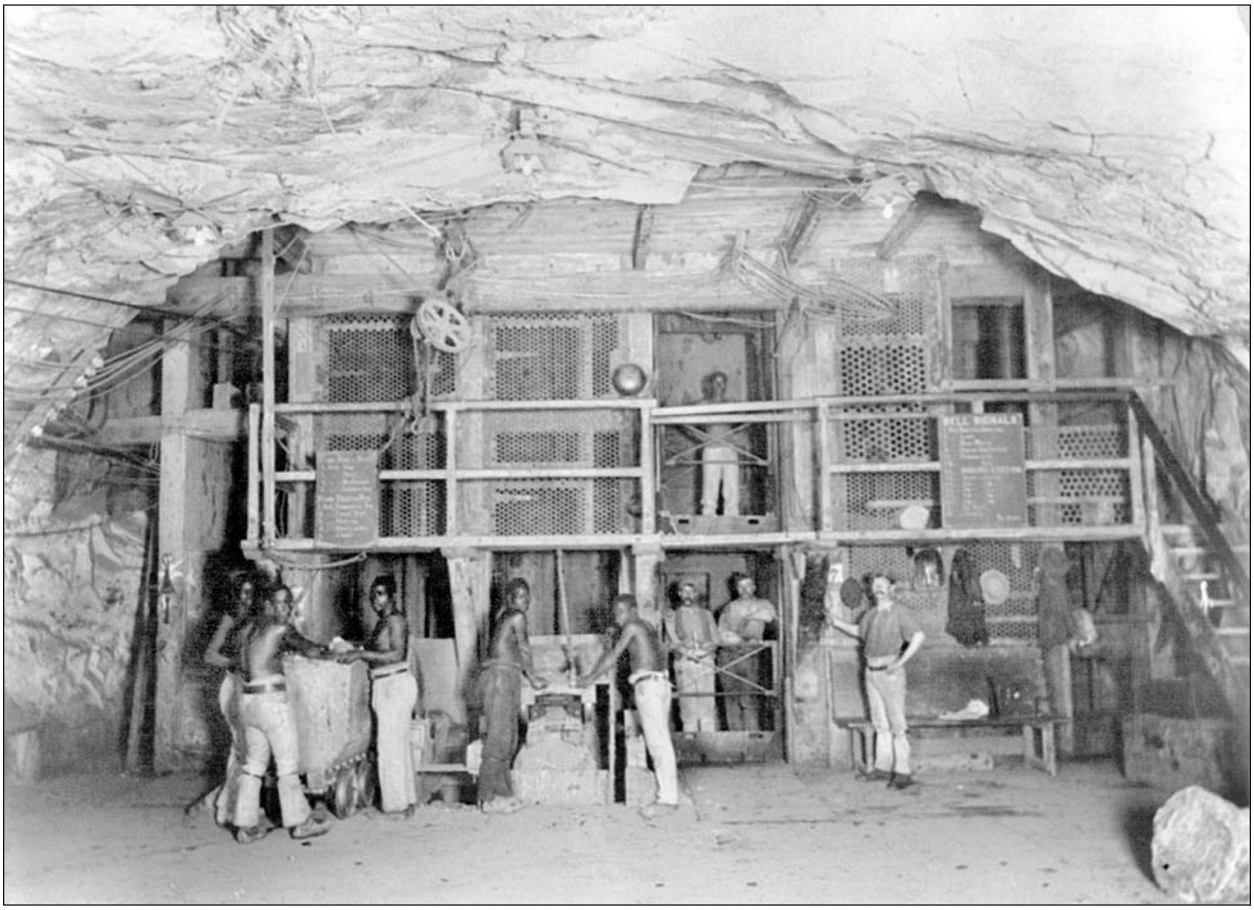
Early Life

The family of Alfred Beit (bit) descended from Sephardic Jews who had converted to Lutheranism and lived in Hamburg. Alfred's father, Siegfried Beit, was a prosperous silk merchant. Siegfried and his wife, Laura Hahn Beit, had six children, of which Alfred was the second oldest. An uninspired student, Alfred seemed destined for a career in business. When he was eighteen, he went to work for a diamond merchants' firm in Amsterdam. In 1875, D. Lippert and Company, a diamond trading firm, sent him to the British colony in southern Africa, where diamonds had been discovered several years earlier.

For most of human history, southern Africa was a sparsely populated, rugged area that was of interest to traders only as a stopping point for ships rounding the Cape of Good Hope on their voyages between Europe and Asia. However, the region acquired a new importance after gold and diamonds were discovered there in the late nineteenth century. Although there were enormous quantities of these commodities, they were buried deep in the ground, unlike the diamonds that had been found in India for millennia, which lie close to the surface, or the gold ore deposited in rivers and rock formations throughout the world. Obtaining these precious commodities would require innovative, enterprising, and efficient mining techniques. Of all the mining magnates in southern Africa, or Randlords, as they came to be called, Beit proved to be the most capable of devising new methods for extracting gold and diamonds.

First Ventures

Beit made his way to Kimberley, the center of diamond mining in Great Britain's Cape Colony. At this time, Kimberley was a wild town in which a large number of people had come to seek their fortunes. Beit was unprepossessing physically, with little social elegance. Nevertheless, he had two advantages over the other miners. Unlike many of the adventurers, he was studious and analytical. He had also been trained in the best diamond shops of Amsterdam. He realized that the diamonds from the Kimberley mines, which were held in low regard, were in fact high-quality gems, which were worth about



Miners at southern Africa's Kimberley diamond fields around the end of the nineteenth century. The discovery of diamonds and gold in the region resulted in massive profits for the Randlords. (The Granger Collection, New York)

ten times more money than diamond merchants had been receiving for them.

Beit borrowed £2,000 from his father and set up his own diamond firm, purchasing as much of the land around Kimberley as he could. As the diamond industry grew, he was able to rent his land at £1,800 a month, and he eventually sold his entire stake for £260,000. His firm set up several trading stations near the mines. He earned a reputation for trading diamonds fairly, quickly, and accurately. In the 1880's, he became associated with two other leading Randlords who were trading diamonds—Cecil Rhodes and Julius Charles Wernher. He and Wernher established the firm of Wernher, Beit. In addition, Beit helped Rhodes amalgamate the Kimberley mines into Rhodes's great diamond conglomerate, De Beers Consolidated Mines, Ltd., with Beit investing £250,000 in this new enterprise.

Gold was discovered in southern Africa in 1886, and Beit immediately turned his attention to this new commodity. Because this gold was buried deep in the ground, many people were skeptical about the long-term success of the area's gold mines. However, Beit saw opportunities where others saw obstacles. He realized that with new and improved engineering techniques, gold could be extracted at an increasingly reduced cost, leading to increasingly greater profits. He acquired several gold mines and brought in the best engineers from the British Empire to devise extraction methods. As a result, his firm pioneered new mining techniques and earned substantial profits. The engineering methods used in his mines were copied by other Randlords.

Mature Wealth

Beit showed excellent judgment in assessing the value of South Africa's diamonds and gold. However, his political instincts were often less astute. He became interested in the northern frontier that eventually became the colony of Rhodesia, and he was frustrated by the Boers, the perennial enemy of the British colonists in southern Africa. He supported the Jameson Raid (1895-1896), in which the British sought to overthrow the Boer Republics. For his part in the ill-conceived raid, Beit was censured by the House of Commons. Nevertheless, he heavily financed the British military force stationed in southern Africa. In 1902, a strengthened British military overcame fierce Boer resistance in the Second Boer War (1899-1902). Beit also supported the projected development of railway lines in South Africa and Rhodesia.

Beit never married. He moved into the seven-thousand-acre Tewin Water estate in Welwyn, England. His home there was a Regency-style mansion with Victorian additions. In 1895, he had a mansion built for him in Park Lane, London, by the architect Eustace Balfour. Beit filled his London mansion with his impressive collection of paintings by English, Dutch, and Spanish masters and with bronze statues from the Italian Renaissance. He endowed several professorships at Oxford University, and he made donations to the school's Bodleian Library. He also used his fortune to support artistic and civic causes.

Beit had always suffered from poor health, and in 1903 he had a stroke. He died on July 16, 1906. His estate was probated twelve days later and assessed at close to £8 million, which would be about $6 billion in 2010 U.S. currency. The bulk of his estate went to his brother, Otto Beit, but he also bequeathed about £2 million to charity. Additional benefactions included £130,000 to the Lon-

Randlords

For most of recorded history, southern Africa was little populated and little regarded. However, this part of the world began to attract attention in the nineteenth century with two discoveries: diamonds in 1866 and gold in 1886. Soon the mad rush was on for these commodities, resulting in a new class of incredibly wealthy magnates—the Randlords. Named for the Rand gold fields, this group of about fifty mining magnates is without parallel in history. During their heyday in the late nineteenth century, the Randlords became known for their rapid accumulation of wealth, their colorful exploits, and their domination of the fortunes of Great Britain's Cape Colony in what is now South Africa. The Randlords kept mansions in London and estates in the English countryside. They were the wealthiest subjects of the British Empire, both admired and hated, with their wealth and philanthropy earning them baronetcies from Great Britain. They competed with one another fiercely but also conspired in facing the formidable threats posed by the oppressed miners of African and mixed ancestry and the cantankerous Boer colonists.

Sir Joseph Robinson (1840-1929) is perhaps the first of the magnates properly called a Randlord. He owned shares in several of the earliest mines to be discovered, earning a great fortune from the West Rand mine. Alfred Beit (1853-1906) was perhaps the most farsighted of the Randlords in his development of South Africa's diamond and gold industries. Cecil Rhodes (1853-1902), Beit's friend and partner, also drew a great fortune from mining gold and diamonds. He established the De Beers Consolidated Mines, Ltd., in 1888, the most dominant diamond monopoly and conglomerate in history. Rhodes left much of his fortune to endow professorships and scholarships at Oxford University. Julius Charles Wernher (1850-1912), another partner of Beit, built his fortune largely on gold mining.

The colorful Barney Barnato (1851-1897) and his brother Harry (1850-1908) established Barnato Brothers, a company that made enormous profits by extracting diamonds from the Kimberley mines. Although Barney lost a good deal of his fortune in stock speculation, he still managed to leave more than £1 million upon his death; Harry left £5.8 million. Thomas Cullinan (1862-1936) controlled the Premier mine, which he bought in 1902 for £52,000. In 1905, the 3,106.75-carat Cullinan Diamond, the largest diamond ever found, was extracted from the Premier mine. This diamond was presented to King Edward VII as a gift, and it subsequently was incorporated into the British crown jewels. On February 26, 2010, a 507-carat diamond from the Cullinan mine was sold to the Chow Tai Fook Jewelry Company for $35.3 million, the largest amount ever paid for a rough diamond.

John Hays Hammond (1855-1936), an American, became the leading engineer of the Rand mines. When he returned to the United States, he was hired by Daniel Guggenheim, of the Guggenheim mining magnates, who through their Guggenex and ASARCO trusts controlled much of the world's mining and smelting operations. Hammond's total income was more than $1 million a year, propelling him into the ranks of the very wealthy.

Sir Ernest Oppenheimer (1880-1957) was the greatest mining magnate of the twentieth century. In 1917, he and American financier J. P. Morgan founded the Anglo American Corporation, a gold mining company which eventually became the majority stakeholder in De Beers.

don Imperial College of Technology, £200,000 for the general betterment of Rhodesia, £250,000 to construct a university and medical college in Johannesburg, and £20,000 each to King Edward VII Hospital and Guy's Hospital. He bequeathed his art collection to museums in London, Berlin, and Hamburg. His most important benefaction was £1.2 million to create the Beit Railway Trust in order to develop railway and telegraph operations in southern Africa. This trust would be administered by his brother Otto and other trustees. Beit's instructions for the Beit Railway Trust allowed for the future use of its funds for public charities and education.

Legacy

Beit was one of the leading Randlords, and the one with perhaps the most impressive history. His diamond-trading firm and engineering techniques enabled diamonds and gold to be efficiently extracted from South African mines. In a period when the miners were heartlessly exploited, Beit's operations were known for their humane treatment of these workers.

Beit also was one of the world's leading philanthropists. The Beit Railway Trust constructed most of the bridges that were built in central and southern Africa in the first half of the twentieth century. In 1932, the trust made a large grant in order to initiate civil aviation in South Africa. In 1954, the trust was reconstituted by an act of Parliament into an incorporated charity and renamed the Beit Trust. In the twenty-first century, the Beit Trust provided scholarships and grants in support of health, education, welfare, and environmental projects in Malawi, Zambia, and Zimbabwe.

—*Howard Bromberg*

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See also: Barney Barnato; Cecil Rhodes.

Samuel Bellamy

British privateer

Bellamy was the captain of a band of pirates who plundered more than fifty ships in the early eighteenth century, amassing some of the great wealth then flowing through the Caribbean and along the Atlantic coast of British North America. He then lost all of his loot—and his life—in one terrible storm.

Born: baptized March 18, 1689; Hittisleigh, Devonshire, England
Died: April 26, 1717; off the coast of Wellfleet, Massachusetts
Also known as: Black Sam; Black Bellamy
Source of wealth: Privateering
Bequeathal of wealth: Dissipated

Early Life

After spending his childhood in the Devonshire countryside, Samuel Bellamy (BEHL-ah-mee) left the area to seek his fortune at sea. Not much is known for certain about where his early years as a sailor took him, though it is likely he spent some time in the Caribbean. In 1715, according to tradition, while working in the area of Cape Cod he fell in love with a local girl named Mary Hallett. To make a better life for her he determined to use his maritime skills to get a ship and seek out some of the recently wrecked Spanish galleons along the coast of Florida. He convinced Rhode Island native Paulsgrave Williams to join him and provide the capital needed for this project.

First Ventures

Although Bellamy and Williams did not secure any of the particular treasure that first drew them toward the Caribbean, they quickly discovered that they had the talent and strategy well suited to piracy. Beginning with two periaguas, or large canoes, they soon successfully stole the merchantman ship *St. Marie* from Captain Henry Jennings, and they then joined forces with a leading pirate in the area, Benjamin Hornisgold. Hornisgold, however, refused to rob British vessels, while Bellamy made no such distinction, making him popular with his men. On a democratic vote, Bellamy, at the age of twenty-seven, was elected leader of the gang of 170 pirates, and in one year he had already amassed booty worth thousands of British pounds.

Mature Wealth

A crowning achievement was Bellamy's capture and appropriation of the slave ship *Whydah*, which was well equipped with guns and with a three-hundred-ton hull then laden with ivory, indigo, spices, and other valuables, not to mention a separate stash of silver, gold, and gems valued between £20,000 and £30,000. Each member of the pirate crew who served with Bellamy, including the cabin boy and the pirates of African and Indian descent, was entitled to at least £100 of that loot, but the share for Bellamy was still considerable, and he proceeded to gather even more.

In the spring of 1717, Bellamy and Williams devised a plan to lead separate groups out of the Bahamas, pirating up the coast of North America, with Williams connecting in Rhode Island with friends and relatives to help market some of the plunder and Bellamy stopping by Cape Cod for provisions and most likely a visit to Hallett. Just off the coast of Cape Cod, very close to Bellamy's goal, the *Whydah,* holding accumulated wealth taken from fifty-three other vessels, got caught in a terrible and deadly night storm. Only two people aboard ship survived, and Bellamy went down with his vessel. It was the costliest pirate shipwreck ever recorded. One of the two survivors testified in court that among the many treasures lost that night were 180 bags of gold and silver, which the pirates had stored in chests kept between decks.

Legacy

New England diver Barry Clifford devoted his life to undersea probing for the *Whydah*, and in 1984 he found the first verifiable evidence and remains of the ship, thanks to modern techniques of underwater sand bed monitoring. In 1988, a Massachusetts court awarded him finder's rights. Subsequent excavation attempts into the twenty-first century have led to the establishment of the Whydah Museum in Provincetown, Massachusetts, where visitors can see what treasures have been recovered so far—some gold, silver, jewelry, and pieces of eight—and learn more about Bellamy and the life of eighteenth century pirates.

—*Scot M. Guenter*

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See also: Elias Hasket Derby; Francis Drake; John Hawkwood; Israel Thorndike.

AUGUST BELMONT

American banker, horse breeder, and diplomat

Belmont was a leading figure in New York banking circles, wielding the considerable influence that his wealth conferred. Among the recipients of his beneficence were the Democratic Party, when it was long out of power, and the Union during the Civil War, when Belmont used his influence with powerful foreign banking interests to deny European funding to the Confederacy. He also became a noted sportsman who helped to modernize horse racing.

Born: December 8, 1816; Alzei, Rhenish Prussia (now in Germany)
Died: November 24, 1890; New York, New York
Also known as: August Schoenberg (birth name)
Sources of wealth: Banking; horse breeding
Bequeathal of wealth: Relatives

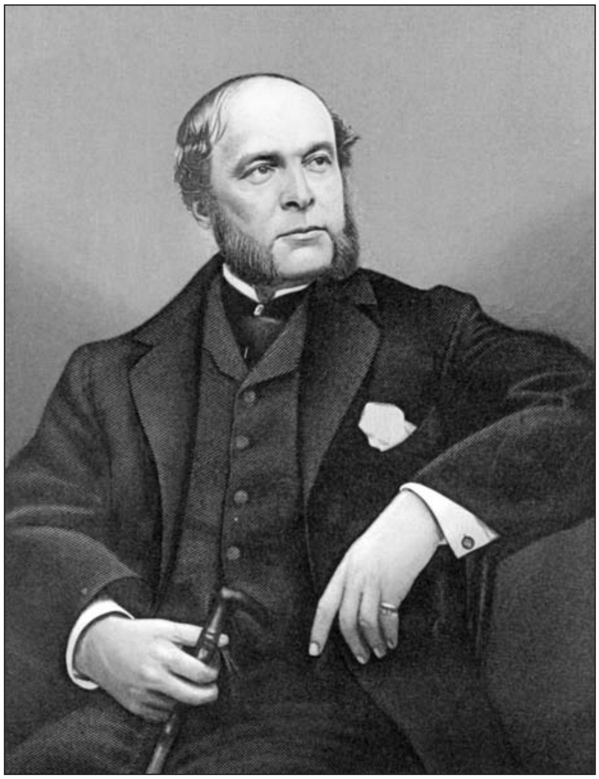
EARLY LIFE

August Belmont was born in 1816 in Alzei, a small city in the Rhenish Palatinate, to Simon and Frederika Elsaas Schoenberg. There is some difference of opinion as to when the original family name of Schoenberg received its literal translation into the French-sounding Belmont, but it is most probable that young August adopted the name when he began his American career. His father was a fairly successful Jewish landowner, so young August could reasonably expect to choose his own career and look forward to a life of relative comfort.

Ending his schooling at about the age of fourteen, he became a low-level employee at the Frankfurt offices of the great house of Rothschild, Europe's leading banking concern. According to some reports, his mother had secured the position for him through a family connection. Starting out, according to legend, as an unpaid floor sweeper, Belmont's intelligence and ambition soon became apparent, and while still a teenager he was rapidly promoted within the company. He was transferred to the Rothschild branch in Naples, Italy, where one of his tasks was negotiating contracts with representatives of the pope. During this time, he may have begun to develop the appreciation of art that in later life would bring him much renown as a collector.

FIRST VENTURES

It was a business trip to Havana, Cuba, for the Rothschilds in 1837 that gave Belmont the opportunity to branch out on his own. While still at sea he learned that the company that dealt with the Rothschild business interests in the United States had failed in the financial Panic of 1837. After completing his assignment in Havana, Belmont arrived in New York and established August Belmont and Company with little capital other than



August Belmont. (Archive Photos/Getty Images) his connection to the legendary house of Rothschild. He was barely twenty-one years old.

At its inception, Belmont's Wall Street firm dealt primarily in foreign currency exchange, a lucrative enterprise but not one that engendered huge profits. It was the company's later move into the more expansive banking business that enabled Belmont to earn a vast fortune. In his private life, Belmont seemed to exhibit the swashbuckling qualities that he perhaps lacked in his early business dealings. In 1841, for example, he engaged in a duel in Indiana over a female acquaintance, and he carried the scars of that incident for the rest of his life. He was also a gambler who would lose large sums in an evening, and it was not long before his reputation for high living became well known in New York society.

The Belmont Stakes

Following the Civil War, August Belmont became passionate about thoroughbred horse breeding and racing. He served as president of the American Jockey Club for about twenty years, even though Jews were barred from membership until many decades later. Belmont had a lavish Long Island estate, on which he housed several prize thoroughbreds. In the late 1880's, he moved his stables to Lexington, Kentucky, to take advantage of the more conducive climate and superior training facilities. His horses led the nation in earnings for the two years preceding his death, and one of his thoroughbreds may have been the first horse to be sold for $100,000 at auction.

Belmont went on to hold important positions in several racing clubs in New York and New Jersey, and the annual Belmont Stakes race was named for him. The inaugural Belmont Stakes took place in 1867 at Jerome Park, and the winner was a filly named Ruthless. With the Kentucky Derby and the Preakness Stakes, the Belmont Stakes eventually became part of the famed Triple Crown of horse racing. In the years since its inception, the race has been held at various racetracks in and around New York City, including Morris Park in the Bronx and Aqueduct in Queens.

In the early twentieth century, Belmont's son, August Belmont, Jr., and attorney William Collins Whitney built the Belmont Park racetrack in Nassau County, Long Island, New York. The track opened in 1905, and since then the Belmont Stakes has been held there each year in June, with the exception of a few years when it was staged at other race courses. Winners of the Belmont Stakes include champion thoroughbreds Man o' War (1920), Secretariat (1973), Whirlaway (1941), Seattle Slew (1977), and Citation (1948).

Since 1925, the course has been one-and-a-half miles in length, the longest of the three racetracks that are the sites of the Triple Crown. Until 1920, horse races at Belmont Park were run clockwise, as they are on English courses. The park can accommodate up to ninety thousand people, with seats available for thirty-three thousand; on occasion, more than eighty thousand people have attended races.

In 1955, the New York Racing Association purchased the track and renovated the course to make it more structurally sound. The rebuilt racetrack opened in 1968, after the facility had been closed for several years. In latter years, crowds generally thinned because of the popularity of off-track betting, which is legal in New York.

Belmont Park is open for racing from early May to the middle of July and in early September to late October. The course operates throughout the year as a training center for thoroughbreds.

Mature Wealth

Belmont became an American citizen and soon was a leading figure in the Democratic Party. In 1844, he was named the American consul general to the Austrian empire, a position he held until 1850, when he resigned to protest Austria's harsh treatment of those who sought Hungary's independence during the Hungarian Revolution of 1848. Belmont was a fun-loving man who possessed considerable personal charisma, and in 1849 he further solidified his place in society by marrying the well-connected Caroline Slidell Perry. She was the daughter of Matthew C. Perry, commodore of the U.S. Navy who within a few years was to help open Japan to foreign trade, and the niece of war hero Oliver Hazard Perry. Belmont and his wife built a large mansion on Manhattan's newly fashionable Fifth Avenue, and he further burnished his reputation as a bon vivant.

In 1853, President Franklin Pierce appointed Belmont to be the minister to the Netherlands, and Belmont lived in The Hague for four years. Although continuing to run his company, he seemed to be equally interested in his growing collection of paintings and his position within the Democratic Party leadership. Belmont became the party's national chairman and urged reconciliation with slaveholders before the onset of the Civil War. Although he did not support slavery, Belmont did not fight for its abolition. During the Civil War, despite his opposition to President Abraham Lincoln's policies, Belmont was convinced the Union would prevail and used his international connections to prevent European banking interests from financially supporting the Confederate government. He also provided funding to organize a German-American regiment from New York. In 1872, after twelve years, he stepped down from active leadership of the Democratic Party but continued his financial support of the organization.

Like many of his extremely wealthy Gilded Age contemporaries, Belmont enjoyed his place within society, but he was not considered to be among the notorious "robber barons," who appeared to value the accumulation of wealth above all else. Although apparently remaining nominally Jewish, Belmont was admitted to social and sporting venues ordinarily not open to those of his faith. He was, as a result, not well regarded by his fellow wealthy German Jews, perhaps because they believed he had somehow betrayed his religious heritage.

Belmont was proud of his American citizenship and was quoted as stating, "I prefer to leave to my children, instead of the gilded prospects of New York merchant princes, the more enviable title of American citizens." That said, he continued to spend prodigiously. His wine bills alone were said to exceed $20,000 in some months, an amount worth several hundred thousand dollars in twenty-first century money. He also continued to add to his fabled art collections, which were sold at auction after his death.

As Belmont aged his health began to deteriorate, and he suffered from what was then called dyspepsia, no doubt brought on by his high living. His private life had its share of tragedy. One of his daughters died young and a son committed suicide. It is ironic that his love of horses may have contributed to his own death. He caught cold, which turned into fatal pneumonia, while presiding at a New York horse show in late 1890. Upon his death, his son and namesake, August Belmont, Jr., assumed control of the banking empire and the family continued to exert a powerful presence through succeeding generations.

Legacy

August Belmont not only accrued great wealth but also was a respected diplomat and sportsman. He was highly regarded for his relative honesty in conducting business and for his principled political views. However, his profligate ways were a subject of criticism, and he is said to have been the prototype of the somewhat shady entrepreneur Julius Beaufort in Edith Wharton's Pulitzer Prize-winning classic novel *The Age of Innocence* (1920).

Belmont's loyalties lay with the Democrats, unlike many his fabulously wealthy contemporaries who were aligned with the Republican Party. His leadership and financial support undoubtedly strengthened the party during the long years of Republican ascendancy. Belmont did much to make horse racing a respectable activity in the United States, creating the Belmont Stakes, which is one of the most important events in the sport. His name was kept alive by the generations of distinguished August Belmonts who followed.

—*Roy Liebman*

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See also: Clarence Dillon; Anthony Joseph Drexel; Otto Kahn; Andrew Mellon; Richard B. Mellon; J. P. Morgan; First Baron Rothschild; Mayer Amschel Rothschild; Nathan Mayer Rothschild; James Stillman; Moses Taylor; William Collins Whitney.

James Gordon Bennett, Jr.

American newspaper publisher

Bennett inherited his wealth and proprietorship of the New York Herald *from his father, James Gordon Bennett, Sr., but he became a leader in the journalism industry in his own right. His wealth benefited charity, and he also sponsored novel sporting events and world exploration.*

Born: May 10, 1841; New York, New York
Died: May 14, 1918; Beaulieu-sur-Mer, France
Sources of wealth: Inheritance; media; telegraph
Bequeathal of wealth: Relatives; charity

Early Life

James Gordon Bennett, Jr., was born in 1841 in New York City, the first of four children of James Gordon Bennett, Sr., and Henrietta Agnes Crean. Bennett spent much of his youth in France. After receiving his education from his mother and private tutors, Bennett attended École Polytechnique in Paris. He enjoyed playing polo and yachting, and in 1857 he joined the New York Yachting Club, eventually becoming its commodore. When he returned to New York on May 15, 1861, the nation was engaged in the Civil War. Bennett enlisted in the U.S. Revenue Marine, serving for a year as a third lieutenant on the *Henrietta*, a yacht donated by his father in support of the Union cause.

First Ventures

While still enjoying a lavish playboy lifestyle, Bennett interned with the *New York Herald*. He became the newspaper's managing editor in 1866, the same year he won the first transatlantic yacht race. In 1867, Bennett was made chief executive officer of the *Herald*, which had a daily circulation of ninety thousand and annual profits of $400,000. That same year, Bennett founded the New York *Evening Telegram*, a source of sensational news and a predecessor of tabloid journalism. Bennett had an aptitude for hiring exceptional writers and for making news, and he spared no expense in his quest for exclusive media coverage. He assigned reporter Henry Morton Stanley to cover several stories, including Stanley's discovery of David Livingstone, a physician and a missionary in Africa. Another of Bennett's reporters, Janurias MacGahan, covered the Franco-Prussian War, atrocities leading to the Russo-Turkish War, and attempts to find the Northwest Passage. Bennett's newspaper also provided extensive coverage of George A. Custer's massacre in 1876. In addition, Bennett helped finance expeditions to the Arctic and to the North Pole.

Mature Wealth

James Gordon Bennett, Sr., died in 1872, leaving proprietorship of the newspaper to his son. On January 1, 1877, Bennett committed a scandalous act that virtually barred him from high society and put him in an unfavorable limelight. He was engaged to marry Caroline May, and he urinated into the fireplace at her parent's home. The wedding was canceled, and soon thereafter, Frederick May, Caroline's brother, whipped Bennett and challenged him to a duel, in which neither man was injured. Bennett eventually moved to Paris, where he managed the *Herald* via cable.

Bennett was dissatisfied with the services provided by the existing telegraph cable monopoly, and he and businessman John William Mackay established the Commercial Cable Company. Their new firm effectively reduced the costs of sending international telegrams and ended single company domination. In 1887, Bennett launched a Paris edition of the *Herald*, which promoted good will between the United States and France but was not financially profitable. He similarly founded a London edition of the *Herald* in 1889, but it folded in 1891. By1899, Bennett foresaw the advantages of wireless communication and paid Guglielmo Marconi $5,000 to demonstrate his radiotelegraph system's live reporting of the America's Cup Races.

Absentee management; competition from other publishers, including Joseph Pulitzer of the *New York World* and Adolph Simon Ochs of *The New York Times*; and extravagant spending weakened the *Herald* during the 1900's. However, Bennett's newspaper continued to maintain a reputation for good reporting throughout World War I. On September 10, 1914, Bennett married a widow, Baroness de Reuter, whose father, Paul Reuter, founded Reuters news agency. On May 14, 1918, Bennett suffered a brain hemorrhage and died of heart disease in Beaulieu-sur-Mer, France.

Legacy

Covering breaking news, conducting worldwide interviews, and reporting shocking tales were Bennett's obsessions as a newspaper publisher, and he and the other publishers of his time changed the nature of American journalism. During his lifetime, he spent more than

$30 million financing research expeditions and sporting events and making charitable donations. Bennett bequeathed the majority of his estate to establish the James Gordon Bennett Memorial Home for journalists. However, there were not enough funds in his estate to fulfill all of the bequests specified in his will, and in 1918 his family sold both the *New York Herald* and the *Paris Herald*. Six years later, both newspapers were sold to the *New York Tribune*, and the two New York newspapers merged to become the *New York Herald Tribune*. The *Paris Herald* was renamed the *International Herald Tribune*, an English-language international newspaper which continues to be published in the twenty-first century under the ownership of The New York Times Company.

—*Cynthia J. W. Svoboda*

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See also: Cyrus H. K. Curtis; Cyrus West Field; Jay Gould; John William Mackay; Samuel F. B. Morse; Joseph Pulitzer; Russell Sage.

SILVIO BERLUSCONI

Italian entrepreneur and politician

First elected in 1994, Berlusconi has served several terms as prime minister of Italy. He used his wealth and position as a media tycoon to propel himself into political prominence as the head of a center-right coalition. He later became one of the most powerful individuals in Italy, despite several scandals.

Born: September 29, 1936; Milan, Italy
Sources of wealth: Media; real estate
Bequeathal of wealth: Unknown

EARLY LIFE

Silvio Berlusconi (SIHL-vee-oh behr-lew-SKOH-nee) grew up in Milan, Italy, in a middle-class family, the oldest of three children of Luigi Berlusconi, a banker, and Rosa Bossi. Berlusconi helped to put himself through college as a bass player in a band and a nightclub singer on Mediterranean cruise ships. He graduated in 1961 with a law degree from the University of Milan. In 1965, he married Carla Elvira Dall'Oglio, his first wife. The couple had two children.

FIRST VENTURES

Berlusconi initially made his fortune in real estate in the 1960's. He lacked experience in construction, but he always possessed a remarkable talent for sales. By the 1970's, Berlusconi moved into television. Italian television in this era generally featured cultural and public service programming. Berlusconi added American shows, such as *Dynasty* and *Wheel of Fortune*, while developing such uniquely Italian programs as the world's first nude game show.

By the 1990's, Berlusconi's Fininvest holdings company included the three Italian national television networks; Montadori, Italy's largest book and magazine publisher; the nation's largest film production company; the country's largest department store chain; the most successful soccer team, Milan AC; the Cinema 5 chain of theaters; a major insurance and mutual fund company; and a daily newspaper, *Il Giornale*. His television networks commanded about 45 percent of Italy's viewing audience and about 60 percent of television advertising revenue. The Italian left, concerned about Berlusconi's power, spoke of passing antitrust legislation to break up his empire. In defense, Berlusconi moved into politics.

MATURE WEALTH

On January 26, 1994, Berlusconi embarked on his political career by addressing the Italian people on all three of his national television networks. Shown in the study of his eighteenth century villa behind a commanding desk, Berlusconi gave the impression of already being head of Italy. Within two months, he had created a new political party, Forza Italia (Forward Italy). In May, 1994, Berlusconi took office as prime minister. At the end of 1994, however, Berlusconi stepped down when some members of his center-right coalition left the government amid allegations that he had authorized the payment of bribes while still a private citizen in order to advance his

Silvio Berlusconi. (Bongarts/Getty Images)

business interests. He remained a major political figure and returned to the prime minister's office in 2001; he assumed his third term in office on May 8, 2008.

Forbes magazine named Berlusconi one of the world's richest people in 2005. It is an accolade that he continued to hold in 2010, despite some personal difficulties. Berlusconi had three children with second wife Veronica Lario, whom he married in 1990 after divorcing Dall'Oglio in 1985. Lario filed for divorce in 2009 after charging Berlusconi with romancing eighteen-year-old Noemi Letizia. The episode became a major scandal in Italy, with Berlusconi claiming that his relationship with Letizia was merely paternal, though it did little to dent his enormous popularity among the Italians.

Legacy

Berlusconi has used his charisma and communications skills to create a culture built around the ideas of success, personal wealth, and material well-being. He is representative of changes in both Italy's economy and its culture. As Italy moved away from an industrial economy and began to enjoy a period of extraordinary prosperity, Berlusconi developed his fortune in television by emphasizing the values of affluence and materialism.

While Berlusconi remains alive, it is difficult to predict his legacy, but it is likely that he will be remembered for his optimism and sales ability. He is the most prominent Italian business leader of his generation. As a politician, he united Italy's conservative parties and formed an alliance with the center to push the left wing out of power. He dominated Italian politics at the end of the twentieth and the start of the twenty-first centuries.

—*Caryn E. Neumann*

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See also: Walter Annenberg; Barbara Cox Anthony; Michael Bloomberg; Anne Cox Chambers; Katharine Graham; John H. Johnson; Robert L. Johnson; John Kluge; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; Ted Turner.

Samuel Bernard

French banker and trader

Bernard's wealth enabled France to remain a strong military power and had a significant influence on the politics of Europe, as it financed Louis XIV's major wars. Bernard's life demonstrates how the bourgeoisie began its rise to political and economic power in France.

Born: October 29, 1651; Sancerre, France
Died: January 18, 1739; Paris, France
Also known as: Comte de Coubert
Sources of wealth: Banking; trade
Bequeathal of wealth: Children

Early Life

Samuel Bernard, comte de Coubert, was born in Sancerre, France, on October 29, 1651. He was the son of Jacques-Samuel Bernard, a successful painter. Although Bernard and his father were born in France, the Bernard family was of Dutch origin. The family professed the Protestant faith and was of the bourgeois class. The family initially lived in Sancerre, a Protestant stronghold, and then in Paris. Bernard would have received a standard bourgeois education enabling him to acquire a profession in business or trade.

First Ventures

Bernard began his professional career as a merchant of gold brocade and jewelry. However, he soon became involved in banking. At the time, many Protestants had fled predominantly Catholic France. Bernard received considerable assistance in starting his banking ventures from the Protestant refugees living abroad. In 1676, Bernard publicly renounced his Protestant faith in order to advance his career as a banker. However, it was always known that he maintained his Protestant beliefs, and he became known as the most successful of the Protestant bankers.

In 1685, King Louis XIV created the Compagnie de Guinée, a trading company engaged in the slave trade. Bernard was among the founding members chosen by Louis XIV. The company traded in gold and other merchandise, as well as slaves, and its business made a significant contribution to Bernard's wealth. From 1690 to 1691, his wealth was further increased by a policy of comte de Pontchatrain, France's minister of the marine, which permitted the sale of goods acquired through piracy.

Mature Wealth

By 1695, Bernard had gained a reputation as the wealthiest banker in Europe. While his wealth had continuously increased, the royal treasury of France had fallen into serious debt. Louis XIV needed funds to finance his military campaigns. Consequently, in 1697, Louis XIV, although not happy to turn to a Protestant banker, had his ministers obtain a loan of 11 million francs from Bernard to the royal treasury. In exchange, Bernard received a title of nobility. This ennoblement was granted on the condition that Bernard would not abandon his banking and commercial ventures so his money would always be available to the Crown.

In 1708, Louis XIV again found himself in need of money to finance his wars and turned again to the Protestant banker. This time, Louis's financial controller, Nicolas Desmarets, arranged a meeting of the king with Bernard at the gardens of Marly. Although Bernard was extremely wealthy and had been ennobled, the king felt it beneath his dignity to receive the banker in his palace. Bernard provided a loan of 19 million francs to fund the War of the Spanish Succession. When Louis XV succeeded his grandfather as king, Bernard continued to enjoy his favored position as royal financier. In 1719, Bernard purchased a château and lands in Seine-et-Marne, France. He rebuilt the château from 1724 to 1727 and built another mansion in Paris. Louis XV made Bernard the comte de Courbet in 1725 and five years later appointed him the counselor of state. In 1731, Bernard purchased additional land in Normandy.

At the time of his death on January 18, 1739, Bernard left an estate valued at 33 million francs. The title comte de Courbet was passed to his eldest son, Samuel-Jacques Bernard.

Legacy

As a banker and trader, Samuel Bernard played a significant role in creating the institution of banking. He made important contributions to the French economy by financing both business ventures and government policies, and he influenced the operations of the trading companies. Although born neither a noble nor a Catholic, two attributes of the ruling class in seventeenth and eighteenth century France, Bernard was a powerful figure in the political and economic life of France and its court. His financial success helped change the strict class structure of Old Regime France and laid part of the groundwork for a social system in which success in business and wealth would become equivalent to inherited nobility.

—*Shawncey Webb*

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See also: Nicolas Fouquet; John Law; Louis XIV.

Bess of Hardwick

English aristocrat and landowner

The daughter of a gentleman farmer, Bess of Hardwick rose to become the second-wealthiest woman in England. She built two of the greatest houses in the country and became the forebear of several aristocratic families.

Born: c. 1527; Derbyshire, England
Died: February 13, 1608; Hardwick Hall, Derbyshire, England
Also known as: Elizabeth Hardwick (birth name); Elizabeth Cavendish; Elizabeth St. Loe; Elizabeth Barlow; Elizabeth Talbot; Elizabeth Shrewsbury
Sources of wealth: Marriage; real estate
Bequeathal of wealth: Children; relatives

Early Life

Elizabeth Talbot, Countess of Shewsbury, better known as Bess of Hardwick, was born Elizabeth Hardwick around 1527. The Hardwicks were gentlemen farmers, who at the time of Bess's birth farmed 450 acres in Derbyshire, rented another one hundred acres in Lincolnshire, and leased Hardwick Hall, a country house. Bess's father, John Hardwick, died while she was still a baby. When Bess was two, her mother married Ralph Leche, which made the family's financial situation more secure, although they were not wealthy. Bess received the typical home education of a sixteenth century girl, learning to read and write, figure, and run a household.

At about age twelve, Bess was sent to the Zouche family at Codnor Castle in Derbyshire in order to finish her education. In 1543, she married Robert Barlow (or Barley), a boy two years younger than she, who died shortly after, leaving Bess with only a widow's share of one-third of the Barlow estates, a relatively small amount that was tied up in litigation for several years.

First Ventures

After the death of Barlow, Bess entered the service of Lady Frances Grey, a distant relative and niece to King Henry VIII by his sister Princess Mary and Charles Brandon, duke of Suffolk. Here Bess began to move in the top tier of Tudor society, and it was probably at Grey's Bradgate estate that she developed the interest in decor and furnishings that later led her to build and decorate some of the greatest houses in England. During this time, Bess met Sir William Cavendish, treasurer of the king's chamber for King Edward VI, who was more than twice Bess's age when she married him on August 20, 1547.

Bess likely did not envision founding a dynasty when she married Cavendish, but he certainly represented financial security and social advancement, and their marriage seemed to be a happy one. Bess gained a title and was presented at court; she also learned to manage Cavendish's two houses and became stepmother to his three children. Bess quickly learned to supervise the household accounts, and Cavendish was probably responsible for teaching her the business sense that served her well throughout her life. The Cavendishes lived generously, gambling and entertaining as expected at court, but within their means, a prudent practice Bess continued throughout her life.

Mature Wealth

In December, 1550, the Cavendishes purchased Chatsworth, a fine estate with two manors and a number of houses and land in various towns, for the bargain price of £600, the first of many careful purchases of land in which Bess participated. Chatsworth became Bess's personal rebuilding and decorating project for the next decade.

Sir William Cavendish died on October 25, 1557, leaving Bess a widow for the second time. Bess had six children of her own by this time, and she was still responsible for Cavendish's two daughters. In 1559, Bess married again. Her third husband, Sir William St. Loe (variously spelled St. Lowe, Saintlowe, and Sentloe), was the captain of the guard and chief butler of England, serv-

Hardwick Hall

Hardwick Hall, located on a hill between Chesterfield and Mansfield in the Derbyshire countryside of England, was the birthplace of Elizabeth Talbot, Countess of Shrewsbury, more commonly known as Bess of Hardwick. Bess bought the house in 1583 after it had been held in chancery under the jurisdiction of the High Court of Justice since the death of her brother James Hardwick in 1581. She purchased not only the house but also its lands for £9,500, a significant sum at this time.

Beginning in 1588, Bess had the Old Hall renovated, raising the building to four stories and more than doubling its size. In 1590, Bess ordered foundations dug for a new house at Hardwick designed by Robert Smythson, an architect who also designed Wollaton Hall, Burghley House, and Burton Agnes Hall. Smythson's style was a distinctly English interpretation of Renaissance architecture, and he made extensive use of glass, particularly at Hardwick.

Bess was able to move into the Old Hall in 1592, from which she could see the new house being built with local timber, sandstone, and limestone. Other materials came from Bess's lands, with the lead for the roof and the plumbing coming from mines at Barlow, the iron from Wingfield, alabaster from Tutbury, and black marble from Ashford in the Water. When Bess's stepson Gilbert Talbot, with whom she was on poor terms, proved to be the primary local supplier of glass, she brought in other glaziers to make her own glass.

The new Hardwick Hall was completed in 1599, although Bess moved in on October 4, 1597. Although it was smaller than the Old Hall, with only forty-six rooms compared to the Old Hall's fifty-five, and was not as finely plastered and decorated inside, Hardwick Hall was state-of-the-art architecture for its time. Large windows enhanced the delicate, symmetrical design, giving rise to the old rhyme "Hardwick Hall,/ More glass than wall."

Bess decorated Hardwick Hall luxuriously, with an extensive collection of fine furnishings and embroideries, many of the latter made by her own hand. Hardwick Hall served as the secondary residence to the dukes of Devonshire, Bess's descendants, until 1956, when the structure was donated to Her Majesty's Treasury. In the twenty-first century, Hardwick Hall is a National Trust site administered by English Heritage. It is open to the public and displays many of the original furnishings, a spectacular and historically valuable collection of late sixteenth and early seventeenth century embroideries, tapestries, and furniture.

ing Queen Elizabeth I. St. Loe owned large estates in Gloucestershire and Somerset. Bess and St. Loe seem to have been in love, but St. Loe was also a practical choice for a woman seeking to secure a fortune for her descendants.

Bess's third marriage made her a wealthy woman. St. Loe died without a male heir in either 1564 or 1565, probably poisoned by his brother. He left his entire estate to Bess, to the displeasure of his brother and two adult daughters. As a lady of the bedchamber with the favor of the queen and a large annual income, Bess was an extremely eligible widow.

Her 1568 marriage to George Talbot, sixth earl of Shrewsbury, was preceded by a double marriage of four of their children: Mary Cavendish married Shrewsbury's eldest son, Gilbert, and Bess's heir Henry Cavendish married Lady Grace Talbot. The latter marriage would transfer ownership of Cavendish lands to the Shrewsbury family, and Shrewsbury's own marriage to Bess would give him control of both Cavendish and St. Loe lands during Bess's lifetime.

After three marriages, Bess was a careful woman. Before marrying Shrewsbury, she required a marriage jointure which stipulated that she would keep Chatsworth and some other properties during her lifetime and that the rents for the Shrewsbury manors of Handsworth, Bolsterstone, and Over Ewedon would be provided to her for life. As a result of her fourth marriage, Bess became one of the highest-ranking women at court in her position as the countess of Shrewsbury.

When Shrewsbury became the jailer of Mary, Queen of Scots, at the command of Queen Elizabeth I, he and Bess expected this to be a temporary duty that would gain them the favor of the queen. Instead, Mary's imprisonment was a fifteen-year burden on Shrewsbury that drained his coffers and strained his marriage with Bess. Bess preferred to spend time with her children and grandchildren rather than live in the uncomfortable conditions at Tutbury, where Mary was held prisoner. Bess also pursued her own financial ventures, in addition to encouraging Shrewsbury to purchase land and arranging advantageous marriages for their children.

Shortly after the birth of her first grandchild in 1571, Bess loaned her brother James Hardwick money to secure Hardwick Hall by obtaining a mortgage on the building. She leased James's coal and ore mines, from which she intended to profit after Shrewsbury's example, but it is unclear what she intended to do with Hardwick Hall. She was able to purchase the hall in 1583 after her brother's death two years earlier.

The Shrewsburys' marriage collapsed gradually but bitterly. It is possible that Shrewsbury suffered from dementia, but he may have become bitter and paranoid because of ill health and the trials of caring for Mary, Queen of Scots, for fifteen years. The separation of Shrewsbury and Bess was marked by constant legal wrangling and petitions to Queen Elizabeth I and her advisers. Bess was not allowed to live at Chatsworth, the home she had spent ten years rebuilding. However, the queen resolved a dispute about the money that Shrewsbury owed Bess by ruling in Bess's favor.

Shrewsbury died on November 18, 1590, and while his mistress stole many items of furnishing, plate, and other portable goods, Bess regained ownership of her lands. She still retained incomes from the Barlow, Cavendish, and St. Loe estates, as well as one-third of the income of the Shrewsbury estates, said to be £3,000 per year, a very large sum at this time. Among the properties she controlled were Bolsover Castle and its coal mines, as well as the lead mines, glassworks, and forge of Wingfield Manor. The Shrewsbury estate itself was drained of cash by Mary, Queen of Scots, and by the annual payments to Bess and Shrewsbury's children, so Bess was in a more stable financial situation than Shrewsbury's own heir, Gilbert Talbot.

As Chatsworth was owned by her eldest son, Henry Cavendish, who disappointed her, and Wingfield did not belong to her outright, Bess turned her attentions to Hardwick Hall, renovating the old building and commissioning a new hall. When Bess died on February 13, 1608, she had amassed a fortune worth thousands of pounds to bequeath to her children, a long way from the 40 marks of her original dowry.

Legacy

In life, Bess of Hardwick was the second-wealthiest and most powerful woman in England, after Queen Elizabeth I. In death, she founded an aristocratic dynasty. Of the six children Bess had with Sir William Cavendish who survived to adulthood, their second son, William, was the forebear of the dukes of Devonshire, and their third son, Charles, was the forefather of the dukes of Newcastle and of Portland. Through her daughter Frances, Bess was the forebear of the earls of Manvers and the dukes of Kingston and of Rutland; through her daughter Mary, Bess was the ancestor of the earls of Pembroke and of Kent and the dukes of Norfolk. Bess's Chatsworth manor became the seat of the dukes of Devonshire. In the twenty-first century, Hardwick Hall was considered to be one of the most important English country houses, an early example of the English interpretation of Renaissance architecture. A National Trust site, Hardwick Hall contains one of the largest collections of sixteenth and seventeenth century English embroideries and textiles, preserved for posterity by Bess's descendants.

—*Melissa A. Barton*

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See also: Deborah Cavendish; Georgiana Cavendish; Henry Cavendish; Francis Drake; Sir Thomas Gresham; Sir Horatio Palavicino; Sir John Spencer.

Jeff Bezos

American entrepreneur, merchant, and computer scientist

After a brief but successful Wall Street career, Bezos followed his dream and founded Amazon.com. Guided by his vision and his commitment to customer service, Amazon became one of the most successful Internet retailers and made Bezos a billionaire before he was forty. He uses his wealth to promote learning by awarding scholarships via the Bezos Family Foundation.

Born: January 12, 1964; Albuquerque, New Mexico
Also known as: Jeffrey Preston Bezos
Sources of wealth: Computer industry; sale of products
Bequeathal of wealth: Spouse; children; scholarship

Early Life

Jeffrey Preston Bezos (JEHF-ree PRES-ton BAY-zohs) was born in Albuquerque, New Mexico. He was a gifted child and spent summers at his grandfather's ranch, where he herded cattle and repaired windmills. He tinkered with electronics and made a few small inventions when he was young. His father, Miguel, was an executive of the Exxon oil company, and Bezos had a privileged upbringing. He was an excellent student in high school and graduated as class valedictorian. He graduated summa cum laude from Princeton University, earning degrees in electrical engineering and computer science, and was a member of Phi Beta Kappa.

First Ventures

Bezos's first position out of college in 1986 was with a start-up company, Fitel. He left the company in 1988 to work at Bankers Trust, where he developed software for fund management. He honed his skills well enough that he became vice president before leaving in 1990 for D. E. Shaw & Company, a global investment and technology development firm. At Shaw, Bezos helped create a successful high-technology system for managing hedge funds. He eventually became the company's youngest senior vice president at the age of thirty. Bezos credits David Shaw, the company's founder, as an inspiration to him and acknowledges Shaw's influence in helping him become a good manager. Bezos left the company in 1994 to start his own business.

Bezos had been researching the burgeoning Internet and was amazed to discover that it was growing at a rate of more than 2,000 percent per year. He did his research and decided that the market for books would be one of the easiest to enter and would benefit the most from the technology of the Internet; the massive number of titles available could not be contained in a traditional brick-and-mortar bookstore. He also discovered that even the largest bookstore controlled only 12 percent of the market, so there seemed to be enough room for another big company, which is what he was planning on starting. He chose his location in Seattle, Washington, since it had a wealth of technically skilled people and was also located near a major book warehouse. He decided on the name Amazon for his company; the world's longest river by volume reflected the concept behind his business.

Jeff Bezos unveils Amazon.com's Kindle electronic book reader. (AFP/Getty Images)

Mature Wealth

Bezos hired four employees and opened his business in the garage of his house. His employees wrote the software for the company and Amazon.com sold its first book in July, 1995. He wanted to create a company that people thought of first when they needed to make a purchase. Although Bezos initially started with books, he wanted Amazon to become a retailer that could provide almost anything. Bezos built his company around two main principles: get big fast and end-to-end customer service. He initially sought to cater to customers by providing access to more titles than any other bookseller. When Amazon launched, its initial offering was more than 1 million titles; even the largest competitor could provide only 300,000 titles because of warehousing constraints. Bezos expanded the company's merchandise to more than three million titles by 1998. He also provided features on the Amazon.com Web site and services, such as e-mails when a customer's favorite author released a new book and online book reviews. He discounted books by10 to 30 percent off their normal purchase price. Amazon.com soon began to sell music compact discs and films in order to better serve its customers. Bezos even had a corporate policy enabling employees to implement features that would benefit the company without having to consult their bosses, known as the "Just Do It" program.

Bezos's eye toward customer service paid off and Amazon.com flourished. Within six weeks of the sale of its first book, Bezos moved himself and his employees into a two-thousand-square-foot space. Within six months, he had to move to a seventeen-thousand-square-foot building. In 1997, there were 614 people on Amazon's payroll, and Amazon.com was receiving 50,000 hits per day. Sales were a big part of what drove the growth. In 1995, annual sales were a little more than $500,000; 1996 sales figures hit nearly $16 million; and sales figures for 1997 climbed to $147 million. Bezos stuck to his "get big fast" philosophy, fueling Amazon's growth by reinvesting much of the money earned back into the company. At one point, Amazon's growth was 3,000 percent per year.

Amazon went public in 1997, with each share initially priced at $18. This price jumped to nearly $100 per share by the end of the following year. All seemed to be going well, but there were some trials that Amazon had to pass. The debt that Amazon had incurred was costing the company $125 million in interest each year. Even though the company had holdings estimated at around $8 billion by the end of 1999, Amazon had yet to turn a profit. The burst of the dot-com bubble saw Amazon's stock drop from its high of $92 per share to less than $15 per share in 2001. Wall Street did not have confidence in either the company or Bezos's business plan, which did not explain how Amazon was going to make a profit from marginal sales transactions. The company had also lost $90 million on roughly $1 billion in sales that year.

Another major bookseller, Barnes & Noble, had entered the online sales arena, and it was forecasted that Amazon would be unable to compete. Bezos stuck to his plan, however, claiming that Barnes & Noble would

The Bezos Family Foundation

Miguel and Jacklyn Bezos originally invested $300,000 in order to help their son, Jeff Bezos, start Amazon.com, and as a result they became wealthy. They had always seen the value of a good education. Jeff Bezos himself was an excellent student and was featured in the 1977 book *Turning on Bright Minds: A Parent Looks at Gifted Education*. Jeff continued to perform well in college, graduating with honors from Princeton University.

Bezos's parents established the Bezos Family Foundation to further the cause of education. The foundation is private and independent. Miguel and Jacklyn Bezos, along with their children and the children's spouses, serve as directors. According to its mission statement, the foundation strives to strengthen educational opportunities for everyone, regardless of economic circumstances, and to cultivate learning as a lifelong process that begins in early childhood.

The foundation created the prestigious Bezos Scholars Program in 2005. The program is hosted at the Aspen Institute and brings together twelve of the country's top public high school juniors at the Aspen Ideas Festival. Twelve educators are also invited to the program. All expenses are paid through a scholarship. The students meet world leaders, thinkers, and artists; past speakers have included President Bill Clinton, Senator Arlen Specter, and Secretary of State Colin Powell. The program is designed to foster leadership skills and to teach those who attend to pass along what they have learned.

In 2008, the Bezos Family Foundation Endowed Chair for Early Childhood Learning was established in order to support research and teaching in the critical area of early childhood education. The organization also aims to disseminate its research to a broad audience of educators, parents, caregivers, and the community at large so that the findings can be used to promote excellence in education.

not focus on logistics and customer service as his company did. Most of Amazon's customers stayed true to the company, with an estimated 70 percent of the firm's revenues being generated from return business.

Amazon implemented free shipping on orders of more than $25 as another customer service measure, and in 2003 the company saw its first profitable year. Bezos partly attributes this profit to the decision to implement free shipping. Amazon.com had forty-three million customers by the end of 2004. That year, a market researcher conducted a survey on customer satisfaction at the top twenty e-commerce sites and Amazon placed first. Amazon grew by acquiring other companies, such as the Internet Movie Database and Back to Basics, a toy retailer. It also forged relationships with other companies in order to expand its merchandise. For example, the company created relationships with retailers Toys R' Us and Circuit City in order to provide a wider selection of toys and electronics.

Through all of this, Bezos has profited well. His net worth was estimated at $12.3 billion in 2010 by *Forbes* magazine, placing him at twenty-eighth on the magazine's list of the United States' four hundred wealthiest citizens.

Legacy

Bezos has blazed a trail for online businesses and proved that an e-commerce company can be both profitable and sustainable. Amazon.com. remains one of the largest-volume e-commerce sites. Bezos identifies customer satisfaction as one of the most important features of his company, and Amazon has grown because of his philosophy. Traditional bookstores have had to adapt and learn from Bezos's strategies in order to compete against the business that he originally launched out of his garage. Amazon's sales continue to grow, while his rivals struggle to compete.

In 2000, Bezos started another company called Blue Origin, hinting that it was developing technologies that could be used in space. Recognizing the importance of education, he also established the Bezos Family Foundation, which sponsors a scholars program for high school students.

—James J. Heiney

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See also: Paul Allen; Steven Ballmer; Sergey Brin; Mark Cuban; Michael Dell; Larry Ellison; Bill Gates; Steve Jobs; Gordon E. Moore; David Packard; H. Ross Perot.

Andries Bicker

Dutch banker, merchant, and politician/statesman

Bicker was a member of a prominent family in Amsterdam, rising quickly through the city's political ranks and serving a number of terms as its mayor. Besides wielding political power, he added to his family's considerable wealth as a banker, landowner, merchant, and administrator of the Dutch East India Company.

Born: 1586; Amsterdam, Dutch Republic (now in the Netherlands)
Died: June 24, 1652; Amsterdam, Dutch Republic
Sources of wealth: Inheritance; trade; banking; real estate
Bequeathal of wealth: Unknown

Early Life

Andries Bicker (AHN-drees BIH-ker) was the son of Gerrit Bicker and Alyd Boelens. Christened on September 14, 1586, he grew up in one of the most powerful and distinguished families of Amsterdam. His grandfather Peter was a prominent grain merchant and brewer, and his father, besides carrying on these trades, held the position of town councillor and became a founding director of the Dutch East India Company (Vereenigde Oost-Indische Compagnie, or VOC). Andries's uncle Laurens Bicker was one of the first Dutch traders in West Africa, while his brothers Cornelis, Jacob, and Jan also became active traders in various parts of the world. He married Catharina Gansneb von Tengnagel, the daughter of another influential family, on February 22, 1615.

First Ventures

Bicker's adult years were characterized by steadily growing power and influence in a number of spheres of Amsterdam life. By 1614, he had become a city commissioner, dealing with such matters as small business and marriage contracts. In 1616, he entered the *vroedschap* (city council) of Amsterdam, and in 1622 he was chosen for the higher position of *schepen* (alderman) in the council, a position to which he was returned in 1623 and 1625. In 1624, Bicker served as a commissioner of the Amsterdamsche Wisselbank (Exchange Bank or Bank of Amsterdam), and he held a similar position with the Banken van Leening (Banks of Loans), the first of which had been established in Amsterdam in 1614.

Mature Wealth

It is virtually impossible to separate the story of Bicker's life from that of the Bicker family or from the tumultuous history of the city of Amsterdam and the country of which it was the most important component. Five years before Bicker's birth, the northern provinces of what had been known as the Low Countries had declared their independence from Spain as the Republic of the Seven United Netherlands, or Dutch Republic. The ensuing conflict, which pitted the Protestant Dutch against Catholic Spain, continued intermittently until 1648, when Spain recognized the republic's independence in the Peace of Munster. During the same period, the new country built a large merchant fleet and acquired a vast colonial empire, creating a golden age of prosperity and culture. It was against this backdrop that Bicker accumulated wealth, power, and prestige.

In 1627, after rising through the governing ranks of Amsterdam, Bicker began serving the first of what would eventually be nine terms as *burgomaster* (mayor) of Amsterdam. He was then only forty. He also served on the Board of Admiralty of Amsterdam from 1637 to 1639, and again from 1650 to 1652. He was a member of the Estates of Holland (the *staten*, or parliament of the province in which Amsterdam is located) from 1643 through 1645, and of the Estates-General (Staten-Generaal) of the Netherlands from 1646 through 1648. Besides these governmental positions, Bicker was a colonel in Amsterdam's *schutterij* (town guard) and a leader of the Arminians, or Remonstrants, a religious group criticized by other Protestant denominations as being too closely aligned with the state.

The four Bicker brothers so dominated the international trade of their day that they were commonly said to have divided the world among them. Andries Bicker himself dealt in the fur trade with the Grand Duchy of Moscow and in the spice trade with southern Asia. His father had been one of the VOC's founders in 1602, and his younger brother Jacob had become a director in 1610. Thanks to the manner in which representation on the governing board was allotted, Amsterdam was virtually guaranteed control of the large trading company, and when Jacob withdrew from its administration in 1641, it was only natural that Bicker himself become a director. It was a position he held until his death.

In 1646, Bicker and six other members of the extended Bicker family held positions in the government of Amsterdam, leading to the recognition of a seemingly all-powerful "Bicker League" that ran the city's affairs and determined its direction. The most famous Dutch

THE DUTCH EAST INDIA COMPANY

The Dutch East India Company (Vereenigde Oost-Indische Compagnie, or VOC) was established in 1602 by a number of Dutch traders, including Andries Bicker's father, Gerrit Bicker, as a joint-stock company holding a monopoly over Dutch trade with Asia. In addition, it undertook military operations to oust other European merchants and to dominate intraregional trade. Empowered to act as the legal representative of the Dutch Republic, it also came to exercise a significant degree of overall political control over most of the East Indies (Indonesian Archipelago) on behalf of the republic, and even minted its own coinage.

The Portuguese had been the first Europeans to reach India and the East Indies by sea, and they dominated the enormously profitable spice trade during the sixteenth century. However, they proved unequal to the naval might and commercial vitality of the Dutch. The VOC established its first trading post in the region at Banten on the island of Java in 1603. A fort and settlement at Batavia (now Jakarta, Indonesia) on the same island subsequently became the headquarters of the company's regional operations. In 1641, the year in which Andries Bicker became a director, the VOC drove the Portuguese from Malacca on the Malay Peninsula, and during the remainder of the century the Portuguese were almost entirely ousted from the region. The VOC set up other trading posts in Persia, India, Ceylon, China, and Japan, although it eventually abandoned these posts, along with those in Malaya.

The VOC was administered from the Dutch Republic by a board of delegates known as the Heeren XVII, or Seventeen Gentlemen. Eight of these delegates—a near majority—represented Amsterdam, while the remaining nine were drawn from five other Dutch ports. Potential shareholders could buy stock in the company, and, should they wish, sell the stock on the Amsterdam Stock Exchange, which had been established for that express purpose. Economic historians date the creation of the modern stock exchange, in which participants share profits and losses, to this arrangement, and many have viewed the VOC as the first modern corporation.

The VOC was the largest trading company in the world for the first century of its existence and returned large profits to its shareholders. However, in the early eighteenth century it went into a slow but eventually fatal decline—a condition due in large part to its failure to develop new crops and its increasingly corrupt and inefficient administration. The kingdom of the Netherlands took over its responsibilities in 1796, administering its remaining territories as the colony of the Dutch East Indies.

poet of the time, Joost van den Vondel, celebrated the family and its patriarch by writing:

> As far and wide as Bicker's flag o'ershadowed the vast ocean
> And plied those waters with his mighty vessels richly laden
> To tow the golden harvest of the world to Holland's
> bosom . . .

Bicker's prominence, his reputation for moderation, and his interest in ending conflicts that hindered trade led to several diplomatic ventures. He was involved in negotiating the 1635 Treaty of Stuhmsdorf, which established peace between Sweden and the Polish-Lithuanian Commonwealth. He also worked to establish a new series of trade agreements among the Baltic nations, and in 1643 he helped broker peace between Sweden and Denmark-Norway with the Second Treaty of Brömsebro.

Along with the other members of his family, Bicker was anxious to bring the Dutch conflict with Spain to a conclusion, and at one point he went so far as to finance, have built, and even pay for provisioning a naval fleet for Spain. When criticized for his seemingly unpatriotic actions, Bicker pointed out that if he had not done so, someone else would have provided the money and he would have lost the profit.

Bicker's overriding loyalty to his family and his city eventually brought him into open conflict with William II, prince of Orange, the *stadtholder* (governor) of several of the Dutch provinces, who hoped to strengthen the central government and his own position in wider European affairs at the expense of the provinces. Although the *schutterij* prevented William's troops from entering Amsterdam, fear of loss of trade led the city to sue for peace. Under the terms of the resulting treaty, Bicker and his brother Cornelis were removed from the *vroedschap*, and although they resumed some positions with the death of William in November, 1650, Bicker himself was by that time in failing health. He died on June 24, 1652.

LEGACY

During his life Bicker undertook a number of roles—political, commercial, social, military, and religious—likely to contribute to the survival and growth of his family's fortune. Thus during the 1640's, when the "Bicker League" was at its most influential and the VOC was expanding the vast territory in which it operated, he was arguably one of the wealthiest and most powerful men in the world.

Bicker and his wife had a number of children, and, as was customary at the time, Bicker strove to ensure that his offspring contracted strategic alliances of marriage, either with other branches of the Bicker family or with other, equally wealthy families. In one case he actually exercised his lawful power by refusing to allow his son Gerard to marry Alida Koninks because of her inferior fortune and status; the couple did not marry until several years after the patriarch's death.

—*Grove Koger*

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See also: Wilhelmina.

Mohammed bin Laden

Saudi Arabian construction magnate and investor

Mohammed bin Laden became a billionaire during the construction boom that resulted from the swift rise in Saudi Arabian oil wealth during the mid-twentieth century. One of his many sons, Osama Bin Laden, became notorious as a leader of al-Qaeda, the Islamic extremist group that was responsible for the September 11, 2001, attacks on the World Trade Center and the Pentagon.

Born: 1908; Rubat, Hadhramaut, Yemen
Died: September 3, 1967; ʾUsrān, Saudi Arabia
Also known as: Moḥammed bin ʿAwaḍ bin Lāden
Sources of wealth: Construction business; investments
Bequeathal of wealth: Relatives

Early Life

Moḥammed bin ʿAwaḍ bin Lāden, also known as Mohammed bin Laden (moh-HAH-mehd bihn LAH-dehn), was born into a poor family in the Hadhramaut region along the coast of Yemen around 1908. The exact date of his birth is not known because celebration of birthdays was not a custom at the time and there was no central government to record births. He was the son of ʿAwaḍ bin Lāden and the eldest of his parents' three sons and three daughters. His father died when bin Laden was young, probably before he reached adolescence. Bin Laden needed to provide income for his family, but the Hadhramaut area offered few opportunities for employment. Bin Laden sailed to Africa probably shortly after 1920, taking a job as a store sweeper in Ethiopia. While there, he lost his right eye; according to differing accounts, he lost his eye either in an accident or when an older man threw a ring of keys at his face. Whatever the cause, bin Laden had a glass eye for the rest of his life.

Bin Laden returned home, but he later followed many other Yemeni youths who emigrated to Saudi Arabia. Around 1925, he traveled to the Red Sea port of Jidda, the gateway to the Islamic holy city of Mecca. Here he initially earned a living as a dockworker and a porter, carrying the bags of affluent pilgrims to Mecca. Initially, bin

The Saudi Binladin Group

Mohammed bin Laden, the patriarch of the bin Laden family, in 1931 founded the construction firm that would later be known as the Saudi Binladin (or Binladen) Group. Throughout the years, the company has built numerous buildings in Saudi Arabia, as well as in other Middle Eastern countries, generating billions of dollars for the firm and the bin Laden family.

After he assumed the throne in 1964, King Faisal of Saudi Arabia gave the bin Laden company a monopoly on national construction, a decision that increased the firm's assets to more than $5 billion (about $20 billion in 2010 dollars). Eventually, the bin Ladens held exclusive contracts for all mosque construction and restoration in Saudi Arabia, as well as in several other Islamic nations. This included a contract to restore the Al-Aqsa Mosque, among the most sacred Islamic sites in Jerusalem's Old City.

The bin Ladens also received contracts to build some of Saudi Arabia's major highways. Before the bin Laden company constructed these roads, many of the connections between Saudi cities had amounted to little more than footpaths. In addition, the firm obtained contracts in the $1 to $2 billion range for military bases, as well as a $1 billion contract for a royal palace in Mecca. Holy venues in Mecca, the world center of Islam, were renovated by the company for more than $4 billion.

Following Mohammed bin Laden's death in 1967, his eldest sons, headed by Salem bin Laden, renamed the company Binladen Brothers for Contracting and Industry. At its height, this company employed as many as forty thousand people in thirty-six countries. Like his father, Salem bin Laden died in an aircraft accident, when the private plane in which he was riding became ensnared in power lines near San Antonio, Texas, in 1988.

After 1990, the company became known as the Saudi Binladin Group, with that name registered by another of Mohammed's sons, Bakr bin Laden. The company maintains extensive interests in engineering, manufacturing, construction, and telecommunications, as well as in real estate development and urban planning. In the twenty-first century, the firm has constructed airports, apartment blocks, bridges, and tunnels, as well as highways.

The Saudi Binladin Group works throughout the Islamic world and is Egypt's largest foreign company. It received some funding from the United States, as well as other countries, in order to rebuild parts of central Beirut that had been ruined in Lebanon's civil war. The company maintains offices in London and Geneva, Switzerland, as well as throughout the Middle East in such major cities Cairo, Beirut, Amman, and Dubai. The firm also has developed business relationships with major multinational corporations, including Unilever, General Electric, Citicorp, and HSBC Bank. By 2009, the company's gross revenues exceeded $5 billion per year. According to some reports, the Binladin Group also owns major equity stakes in Microsoft Corporation, Boeing, and other major American companies.

Laden and his younger brother Abdullah slept in a ditch they had dug in the sand. Later, when he was a rich man, bin Laden hung the scarred leather bag he had used to haul pilgrims' personal effects in his office.

Bin Laden was about five feet eight inches tall, and he was known for his skill at organizing other people's work in a practical and efficient manner. He was a spirited practical joker and an avid dancer of traditional steps, some of which he performed while shooting pistols into the air. He was especially good at cultivating and retaining important friends long before he gained access to the inner circles of the Saudi royal family.

First Ventures

Within a few years, bin Laden no longer was a porter and had became known around Jidda for doing small-scale construction work, such as fixing arches and renovating the facades of old buildings. With the arrival of the Great Depression in the early 1930's, the economy of Jidda collapsed as the pilgrim trade declined. Bin Laden found himself on the road looking for work. He entered the oil business by taking a job as a bricklayer with the oil firm Aramco in Dhahran, Saudi Arabia. The oil revenue that was pouring into the coffers of the Saudi royal family soon would make bin Laden wealthy, as some of that income would finance his construction projects.

After holding several menial jobs, bin Laden shortly after 1930 made the acquaintance of Ibn Saʿūd, who would eventually become the first king of the modern Saudi state. The relationship between the two men enabled bin Laden to become wealthy by constructing buildings for the king. As the "royal builder," a status established by a royal edict in 1950, bin Laden and his family reputedly became the richest nonroyal family in Saudi Arabia. Bin Laden initially built homes for the royal family, learning about construction while on the job, and eventually took on larger projects.

Bin Laden accumulated his fortune through his acute business sense and his ability to cultivate royal contacts, offering the monarchy quality work at a relatively low price. He initially became wealthy by constructing and restoring mosques in Saudi Arabia under contract to the royal family. In 1955, bin Laden's status was solidified when a royal decree named him a minister of state in Saudi Arabia. Bin Laden also became a legend in his hometown in Yemen, where he was an inspiration to the many thousands of Yemenis who had migrated to Saudi Arabia for employment.

Mature Wealth

After performing construction work on King Ibn Saʿūd's palace, bin Laden's firm was contracted to renovate buildings in the city of Mecca. His company built religious structures in other cities as the Saudi oil boom provided revenue for such work after World War II. The bin Ladens became confidants of the royal family, a relationship that involved a high degree of trust, shared secrets, and friendship. The relationship continued after bin Laden's death, with his children establishing ties with the children of the royal family. The elder bin Laden sons often attended the same schools as the children of the king, including the elite Victoria College in Alexandria, Egypt, and the children traveled in the same social circles. Victoria College was widely attended by students from elite families in the Arab nations, as well as by families of other notable people, such as the actor Omar Sharif. The bin Ladens were as close to Saudi royalty as anyone without shared blood.

In 1964, bin Laden's confidant Faisal became king of Saudi Arabia, and this further enhanced bin Laden's wealth by providing him with contracts for more massive construction projects. The kingdom had been mismanaged under King Saud, the son of King Ibn Saʿūd, and Saudi Arabia had a brush with insolvency despite its rising oil wealth. Bin Laden offered his business acumen, and a sizable sum of money, to improve the nation's economy.

After he amassed wealth in construction, bin Laden invested in oil and other ventures. He was killed when his company aircraft crashed near ʾUsrān, Saudi Arabia, on September 3, 1967.

Legacy

Mohammed bin Laden lived simply even after he acquired wealth, and he continued to be a devout Muslim. Moreover, he demanded the same of his children, traits that the world would come to know in Osama, his most militant son. Because Mohammed died before the evolution of the more militant interpretations of Islam, it is hard to know if he would have approved of Osama's jihad, which included the killing of almost three thousand people on September 11, 2001.

Mohammed bin Laden's fortune was passed on to his many sons, and his family continued operating his construction business. He was married twenty-two times and had at least fifty-four children. However, he retained a maximum of four wives at once, as allowed by Islamic law, divorcing former wives as he acquired new ones. A family history written by Carmen bin Laden indicates that Mohammed was flying to the site of his twenty-third wedding the day he was killed in the airplane crash. The direct descendants of Mohammed bin Laden probably number more than six hundred people. Osama Bin Laden was Mohammed's seventeenth child, born in 1957, and his only son with his tenth wife, the Syrian woman Hamida al-Attas.

Ties between the royal family and the bin Ladens occasionally have been tested as the result of radical Islamic activity. In the seizure of the Grand Mosque in Mecca, radicals used bin Laden construction trucks to smuggle weapons into the holy city. In 1990, the bin Laden family disowned Osama. Saudi Arabia later revoked Osama's passport and stripped him of citizenship because he had criticized the state for allowing United States troops onto Saudi soil following the 1991 Gulf War. Osama also is subject to an arrest warrant issued by the Saudi government on May 16, 1993.

—Bruce E. Johansen

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See also: Mohammed Hussein Ali Al Amoudi; Al-Waleed bin Talal.

Ghanshyam Das Birla

Indian industrialist, entrepreneur, politician/statesman, and philanthropist

Birla was one of the most influential businessmen of twentieth century India. He built his family's business into one of India's major manufacturing conglomerates, and he was intimately associated with the nationalist cause. Publisher, industrialist, educator, philanthropist, and an associate of Mahatma Gandhi, his unique contributions to the development of modern India made him a household name.

Born: April, 1894; Pilani, Rajasthan, India
Died: June 11, 1983; London, England
Also known as: Shri Ghanshyam Das Birla; G. D. Birla
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Children; educational institution

Early Life

Shri Ghanshyam Das "G. D." Birla (shree gahn-SHEHM dahs BIHR-la) was born in 1894 in Palani, Rajasthan, India, one of three sons of Baldev Das Birla (1863-1956), a wealthy Marwari trading caste member from Calcutta and the son of Shiv Naraayana Birla (1838-1910), a moneylender who founded the family business. Ghanshyam was tutored in Hindi and arithmetic and learned the Vaishnav religion from his family. As was the custom, at age eleven he married Durga Somani, who died in 1909 following the birth of their first son, Lakshmi Niwas "L. N." Birla (1909-1994).

As a teenager, Birla worked for his father, a Mumbai cotton dealer. There he learned accounting and English, a language not typically studied by Marwaris at this time. In 1910, Birla left for Kolkata to establish his own jute brokerage, under the tutelage of his father-in-law Mahadev Somani. He was betrothed to Mahadevi Kharva (d.1926), with whom he had three sons, Krishna Kumar, Basant Kumar, and Ganga Prasad. His first enterprise, G. M. Birla and Company, was registered in 1911.

First Ventures

Despite British dominance of cotton and jute mills and discriminatory practices, which included forbidding Indians the use of elevators in British factories, the Marwaris had established inroads into jute and cotton dealerships by the early twentieth century. Jute prices rose considerably during World War I. Birla became wealthy and established an export office in London. After the war he established a new company, Birla Brothers, which would become one of the most well-known Indian-owned companies of the colonial era, and he purchased a cotton mill. He overcame attempts by British producers to stymie his launch of a jute mill, a struggle that began to shape his nationalist politics, and he survived the difficult period of the 1920's rupee devaluation. By his thirtieth birthday, Birla had established successful cotton mills and trading companies, and he had become skilled at training fellow Marwaris as managers rather than relying on Europeans, thereby facilitating Marwari dominance of India's postindependence business community. He assisted in the formation of the nationalist Indian Chamber of Commerce and, soon thereafter, the influential Federation of Chambers of Commerce of India in 1927. He was a sponsor of the Free Press of India, the first national press agency, and briefly ran for local elected office. Birla's reputation as a successful entrepreneur and an important person within the Marwari community emboldened his interest in the nationalist cause.

Mature Wealth

In the early 1930's, Birla expanded into sugar and paper mills, complementing the family's smaller publishing, soap, insurance, and chemical businesses. The companies survived the Great Depression by aggressively competing with the weakening European oligopolies. In the 1930's, Birla became explicitly involved in the nationalist cause, primarily as a major contributor to the Indian

National Congress and as an associate of Mahatma Gandhi, a leader of the Indian independence movement who had met Birla in 1916. Birla accompanied Gandhi to the Round Table Conference in London in 1931 and 1932, where representatives of Great Britain and India discussed the future constitution of India. Birla and Gandhi grew close. Gandhi encouraged Birla and his peers to act as strong supporters of independence, and he supported the industrialists' viewpoint that economic development free from colonial dependence and control was a solution to India's poverty. Birla famously declined to accept a British knighthood, and in this era he established his role as a key link between the Indian worlds of business and politics, going on to become an influential adviser to many policy makers. He was also a generous provider of resources to the independence movement, a fact that irritated the British and caused concern among his brothers.

Birla became friends with many Indian National Congress leaders, including Vallabhbhai Jhaverbhai Patel (1875-1950). As an industrialist, Birla counseled compromise between the Indian National Congress and the British and cooperation between labor and capital. He opposed the socialist leanings of some in the Indian anticolonial movement, and he later had cool relations with the left-leaning Prime Minister Jawaharlal Nehru (1889-1964). Birla believed that the acquisition of knowledge was essential in building a modern India. Toward this end he became a lifelong supporter and advocate of educational institutions.

Birla's industries expanded during and after World War II, supplying essential manufactured goods as the country reached independence and the economy expanded. Prices of jute and other staples again spiked during the war, earning Birla the resources to expand in the postwar period. Transportation, industrial supplies, and agricultural goods dominated the companies' activities. While some of their growth came from the acquisition of European companies, the companies expanded in other ways. In 1942, Birla founded Hindustan Motors of Kolkata, and the company's Ambassador model, based on a British car design, dominated Indian roads for many years in the taxi service and government transport. The car company enjoyed a dominant market position until it began competing with other automakers in the 1980's. Another Birla firm of this era, the Textile Machinery Corporation (TEXMACO), profited from the dearth of equipment imported from England during the war. In short, with the decline of British influence in the Indian economy, Birla's enterprises reached a new level of dynamism.

After Indian independence and the partition of Pakistan from India, Birla's business empire grew to include

The Birla Institute of Technology and Science

Ghanshyam Das Birla's contributions to the field of education stemmed from his perception that his own lack of formal schooling affected his life and from his intense desire to see India build a modern industrial capacity. He saw education as foundational, and he set up hundreds of rural schools. He brought the educator Maria Montessori to his home in Pilani in the 1940's so she could promote the benefits of public schools. A Montessori society was established in Pilani, and the Birla Public School was founded as a Montessori school in 1944.

Birla viewed the lack of an Indian-educated, professional sector as a particular disadvantage to the country's industrial and social development. In 1929, he established a high school in his hometown of Pilani, where he later founded a college focusing on science, business, and pharmacy studies. The college added programs in engineering and electronics in the 1940's and 1950's. Originally registered as a "society" under state registration guidelines, the school was granted university status by the government in 1964, and the various programs were joined into the Birla Institute of Technology and Science, commonly known as BITS. Birla was the institute's chairman.

In the 1960's, BITS became a premier engineering and business school. It received support from the Ford Foundation and entered into an alliance with the Massachusetts Institute of Technology, which transformed BITS into a university similar to those in the United States. The institute was the first in India to build a department of space engineering and rocketry; it also established the Small Industries Entrepreneurs' Park in order to promote effective practices and to aid in funding for business start-ups. The Birla Institute of Management Technology was founded in 1988. Under the chancellorship of Birla's son, Krishna Kumar Birla, institute campuses were established in Goa and Hyderabad, and in 1990 a branch opened in Dubai. Several internationally recognized research centers also were opened, including facilities focusing on robotics, software, and women's studies.

BITS is known for requiring its students to work on real-world projects, and it is prized for its extensive connections with industry. It has remained a privately funded school, renowned for its academic rigor, and it consistently ranks among the top universities in India.

tea, textiles, plastics, and the country's largest cement producer, and he eventually led one of India's largest industrial conglomerates. However, tragedy struck in 1947, when Gandhi was assassinated while visiting the Birla home in Delhi, abruptly ending the men's thirty-two-year friendship. Birla's nationalist credentials and his relationships with Patel and Nehru enabled the industrialist to mold commercial growth to India's development policies. One exception was Birla's desire to found a steel enterprise, which was frustrated in the 1950's by the government's decision to focus on publicly owned steel capacity. By the end of the 1950's, Birla controlled more than 150 companies. His wealth and commercial dominance upset many competitors and those on the Indian left, who accused him of monopolistic practices. That such growth occurred even though Birla's attempts to persuade Nehru to pursue economic liberalization failed is an indication of Birla's resourcefulness.

During the administration of Prime Minister Indira Gandhi, however, Birla's political connections decreased, and he faced increasing pressure from left-wing politicians to share his wealth and his industrial licensing privileges, which accounted for 20 percent of government licenses from 1957 to 1966. By the end of his career, Birla controlled two hundred companies, divided into autonomous entities and managed by family members and allies. Products included railway and other industrial equipment, aluminum (Hindalco), textiles, and agricultural goods, and the group owned foreign enterprises in Africa and Southeast Asia. By the time of his death in 1983, Birla's conglomerate was surpassed in size in India only by the Tata Group of industries. The Birla group's inheritors, in particular the Aditya Birla Group, which was run by Birla's grandson Aditya Birla (1944-1995), ensured that Birla's industrial heritage continued to thrive.

Legacy

Birla combined his skills as an industrialist with the political dream of an independent India. He saw no distinction between his nationalism and his desire for his country to realize its industrial prowess. Through two world wars, an epic anticolonial battle, and struggles over India's economic liberalization, his life is a window into twentieth century India. He established many of India's modern industries, and he was instrumental in initiating its independence in technology and engineering education. His contributions to the transformation of India from a largely rural society, dominated by a strong colonial power, to a society of technology, industry, and education were seminal. His personal generosity, charitable nature, and meager lifestyle have rightly inspired numerous educational awards that bear his name.

—*Eric Schuster*

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See also: Mukesh Ambani; Jamsetji Tata.

JOHN INSLEY BLAIR

American railroad executive

Blair earned a fortune as president of sixteen railroads and board member of at least as many others. He used his vast resources to support causes dear to his heart, particularly the Presbyterian Church and various educational institutions, including the Blair Presbyterian Academy.

Born: August 22, 1802; Warren County, New Jersey
Died: December 2, 1899; Blairstown, New Jersey
Also known as: Plain John I
Source of wealth: Railroads
Bequeathal of wealth: Relatives; charity; educational institution; church

EARLY LIFE

John Insley Blair was the fourth of eleven children born to Scottish immigrants John and Rachel Insley Blair. Blair was a direct descendant of the patriot John Blair, Jr., who in 1720 came to New Jersey from Scotland and was one of the signers of the Declaration of Independence. The Blair family was close-knit, and Blair pursued many of his early business endeavors with a brother or other relative.

Blair's formal schooling was intermittent and ended at age eleven, when he reportedly told his mother, "I have seven brothers and three sisters. That's enough in the family to be educated. I am going to get rich." After that prophetic pronouncement, he went to work in a cousin's store to learn the retail trade. He proved to be a quick study and when the cousin left, Blair became the sole proprietor. In September, 1826, he married Nancy Ann Locke, with whom he had four children, Emma, Marcus, De Witt, and Aurelia.

FIRST VENTURES

Blair opened a general store in Butts Bridge, New Jersey, the community that in 1839 was renamed Blairstown in his honor. At age twenty-eight, he turned this first store into a chain of five. Along with his other business interests, he served as the town's postmaster for twenty-six years. His other business interests included, but were not limited to, wholesaling, flour mills, cotton mills, banking, and mining of both coal and iron. In some of these enterprises, he worked in partnership with one or more of his brothers or brothers-in-law.

Blair correctly guessed that the railroad would hold the key to America's dominance as an industrial nation during the nineteenth century. He also figured that the towns served by railroads would be the ones to prosper. A staunch Republican from the party's birth in 1854, he was a delegate at every nominating convention for the remainder of his life, and he felt especially honored to have participated in the nomination of Abraham Lincoln for president in 1860.

MATURE WEALTH

It was in the growing railroad industry that Blair found his true calling, and he made a name for himself among the other railroad industry giants of the times, including Jay Gould, James J. Hill, George Mortimer Pullman, and Edward H. Harriman, to name just a few. His first foray into the business was with the organization of the Delaware, Lackawanna & Western Railroad (DL&W) in 1852. He became president and remained a board member and major stockholder of the DL&W for the rest of his life. He served as president of other railroad companies, including the Sioux City and Pacific, Cayuga and Susquehanna, Chicago and Northwestern, Liggett's Gap, Sussex Valley, and Warren rail lines. In all, he became president of sixteen railroad companies, and he sat on the board of directors of at least that many more.

Blair recognized the railroads' opportunities resulting from the rapid expansion of the American West. His railroads, including his Sioux City branch of the Union Pacific Railroad, set the pace of this growth. With Congressman Oakes Ames, Blair won the charter for the United Pacific, and he personally oversaw the laying of the first one hundred miles of its track. Ames, as president of the Crédit Mobilier of America, a railroad construction company, was later charged, along with thirteen other members of Congress, with graft, corruption, and fraud. Blair was innocent of any wrongdoing. His sterling reputation for honesty and his strong code of personal ethics kept him from being damaged in the resulting scandal.

Towns sprouted up as soon as railroad tracks were laid. Blair laid out at least eighty new towns along these far-reaching tracks. His responsibilities required frequent travel, and when he was not conducting business from his home in New Jersey, he worked out of the office in his private railcar, an indulgence that was actually a necessity. He is believed to have owned more miles of rail than any other individual owner.

For Blair, retirement was not an option, and he continued working at a pace that men half his age would have had difficulty matching. He never slowed down until he reached age eighty-five, when he decided to reduce his frequent travel from forty thousand to twenty thousand miles per year, though he still started work before daylight and put in a full day. His phenomenal drive stemmed from his genuine love of business in general and the railroad business in particular.

While most of his vast fortune came from his railroad lines, he also founded the Belvidere National Bank in Belvidere, New Jersey, and he continued to own stock in various mining companies. He ran for governor of New Jersey in 1868, but he lost the race to the Democratic candidate, the incumbent Theodore Randolph. He died at age ninety-seven in the house where he had lived most of his life, and in the town where he was widely respected and known as "Plain John I." Despite his great wealth, he lived simply and remained an unpretentious man. He found it ironic that someone with almost no education had been selected to serve as a trustee on Princeton University's board of directors.

Blair was a lifelong member of the Presbyterian Church, and he supported it with the same generosity he had shown various schools, including his beloved Blair Presbyterian Academy. At the time of his death in 1899, Blair's wealth was reported at more than $70 million.

Legacy

A devout Presbyterian, Blair founded more than one hundred churches. Not coincidentally, they were all located in the Western towns in which he had laid out his railroads. His greatest legacy is the Blair Academy, initially called the Blair Presbyterian Academy. For fifty years, he was the school's principal benefactor. His gifts of land and cash funded the school's growth, making the academy the respected institution it remained into the twenty-first century.

Blair also gave generously to colleges, including Princeton University, Grinnell College, and Lafayette College. Princeton's Blair Hall was named for him, and

The Blair Academy

The Blair Presbyterian Academy was founded in 1848 by railroad magnate John Insley Blair, with help from the Presbyterian Church and some residents of Blairstown, New Jersey. Blair, a lifelong Presbyterian, understood the importance of education, even though he had personally eschewed it in favor of going out into the world to work. He wanted to ensure that the children of local farmers and townspeople would receive an education. Blair hoped his private preparatory school would provide instruction based upon the values of the Christian faith and that this schooling would prepare students to be future community leaders.

In 1860, Blair selected outstanding students for what he called Blair Academy's Secret Society, or the Elite 1848, with 1848 apparently referring to the year the school was established. Among other pursuits, the society actively assisted the Underground Railroad and worked to hold the Union together during the Civil War.

The school initially was open to both girls and boys, but it limited admissions to boys in 1915, eventually reinstating a coeducational admissions policy in 1970. By the twenty-first century, girls accounted for about half of its enrollment. The school, now known as the Blair Academy, expanded over the years until its campus contained forty-two buildings on 425 acres. Classes are provided for ninth- through twelfth-grade students who are either day or boarding students. Virtually all of Blair's graduates go on to college.

While academics take precedence over athletics, the school competes successfully in the Mid-Atlantic Prep League, and in 2010 three former students were playing in the National Basketball Association: Charlie Villanueva of the Detroit Pistons, Royal Ivey of the Philadelphia 76ers, and Luol Deng of the Chicago Bulls. Other alumni have held prominent places in government, business, literature, and the arts, including John Sebastian, the lead singer and guitarist for the Lovin' Spoonful band.

Blair Academy has, on average, an enrollment of 450 students. The school boasts of its faculty-student ratio of one teacher for seven students, with average class size limited to ten students. Among the special programs offered are honors courses, independent study, spring break community service trips, and study abroad. Upper grades adhere to a dress code, and attendance at religious services is required. Students and faculty are equally responsible for maintaining discipline. Financial aid to students in need exceeds $3 million annually.

Over the years, the academy has become more diverse, with students from nearly every state, as well as from twenty-three countries. It maintains the Judeo-Christian values of its founder and is still strongly tied to the Presbyterian Church, specifically the presbytery of Newton, New Jersey. Although its character has changed over the years, one thing has remained constant: an ongoing reputation for academic excellence. In 1992, the National Register of Historic Places officially recognized the historical and architectural significance of the campus's original buildings, which are designed in the Romanesque style.

he served on the university's board of directors. Having voluntarily ended his own schooling at age eleven, he felt intuitively that the days of self-made men would soon be a thing of the past, and success in the future would be unattainable without the foundation of a solid education.

After his death, his son De Witt Clinton Blair took over his father's business and philanthropic interests and continued supporting the causes Blair held dear, including making generous contributions to Blair Academy, funding new buildings as the school continued to grow in size and in reputation.

—*Norma Lewis*

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See also: Jim Brady; William Andrews Clark; Jay Cooke; Charles Crocker; Daniel Drew; John W. Garrett; Jay Gould; Edward H. Harriman; James J. Hill; Mark Hopkins; Collis P. Huntington; Daniel Willis James; George Mortimer Pullman; Russell Sage; Leland Stanford; William Thaw; Cornelius Vanderbilt; William Henry Vanderbilt.

Michael Bloomberg

American politician and media executive

Bloomberg parlayed a $10 million severance payment from Salomon Brothers investment bank into a multibillion-dollar fortune in less than two decades. As founder of Innovative Market Systems, he developed a method of installing messaging terminals in businesses that became the standard in the United States. He used the enormous profits from his business to become a noted philanthropist, and he was elected the mayor of New York City in 2001.

Born: February 14, 1942; Boston, Massachusetts
Also known as: Michael Rubens Bloomberg
Sources of wealth: Sale of products; media
Bequeathal of wealth: Charity

Early Life

Michael Rubens Bloomberg was born on February 14, 1942, at St. Elizabeth's Hospital in Boston, Massachusetts, the older of two children born to William Henry Bloomberg and Charlotte Rubens Bloomberg. His parents were the children of Russian Jewish immigrants. In 2009, his mother was more than one hundred years old and reportedly still in good health. Bloomberg and his family lived in the middle-class Boston neighborhood of Medford, where he finished high school in 1960. Bloomberg was an above-average student, receiving high marks.

After graduation, Bloomberg enrolled in Johns Hopkins University, from which he graduated in 1964 with a B.S. degree in electrical engineering. He then enrolled in the Harvard Business School, from which he graduated two years later with an M.B.A. degree. After graduating from Harvard, Bloomberg took a position with Salomon Brothers, a Wall Street investment bank, where he eventually rose to the position of head of equity trading and then of systems development. After a merger in 1981, Bloomberg was dismissed from Salomon Brothers and opened his own company. In 1975, he married Susan Brown Bloomberg. The couple had two daughters, Emma, born in 1979, and Georgina, born in 1983, before they divorced in 1993.

First Ventures

Bloomberg received a very generous severance package of $10 million from Salomon Brothers, which he used to found his own company, Innovative Market Systems, in 1981.The company installed messaging terminals that supplied businesses with the latest news, real-time financial data, and stock quotes. The giant Merrill Lynch investment bank (now Bank of America Merrill Lynch) was Bloomberg's first customer. Merrill Lynch installed twenty-two terminals in its offices and ultimately invested $30 million in Bloomberg's enterprise. Bloomberg renamed his company Bloomberg L.P. in 1986, and by the next year the firm had installed more than five thousand of these "Bloomberg terminals." As these terminals proliferated, Bloomberg expanded into radio and other media. He founded a cable television network in 1994, went online with Bloomberg.com in 1995, and established the Bloomberg Press publishing company in 1996.

Michael Bloomberg. (Getty Images)

He became a billionaire by 2000, by which time his name was synonymous with business information systems. In 2010, *Forbes* magazine listed him as number twenty-three on its list of world billionaires, with his net worth estimated at $18 billion.

Mature Wealth

Bloomberg eventually turned his attention from business to philanthropy and politics. In 2001, he gave up his position as chief executive officer of Bloomberg L.P. to run for mayor of New York City, seeking to replace incumbent Rudy Giuliani, who was ineligible for a third consecutive term. In order to run, Bloomberg, who had been a Democrat all his life, switched parties and became a Republican.

Bloomberg chose not to accept public campaign funds, and reportedly dedicated more than $73 million of his own money on the race, outspending his Democratic opponent by more than five to one. He urged voters to elect him by insisting that New York City's economy was suffering from the September 11, 2001, attacks on the World Trade Center and needed a mayor who had business experience. He represented himself as being in favor of abortion rights, the legalization of same-sex marriage, stricter gun control laws, and citizenship rights for undocumented aliens, and many saw his positions as a betrayal of Republican principles. Bloomberg won the election by a narrow margin despite what some critics called his "fuzziness" on several key issues. The election was the first time in the history of the city that two Republicans were elected mayor consecutively.

At Bloomberg's urging, New York City was the site of the 2004 Republican National Convention, where he soundly endorsed incumbent George W. Bush for a second term as president. Bloomberg was reelected mayor in 2005 by a 20 percent margin, the largest ever for a Republican mayor of New York City. By some estimates, he spent more than $74 million on his campaign. In 2007, amid further criticism that he was ignoring Republican values, Bloomberg formally left the Republican Party and declared himself an Independent.

During his first term as mayor, Bloomberg concentrated primarily on reforming public education. His statistically oriented, results-based approach has drawn considerable criticism from the teachers' union and praise from the public. He supported an increase in teachers' salaries, including incentives for superior teaching. He opposed social promotion, while supporting after-school programs to help disadvantaged students. During his second term, Bloomberg concentrated on addressing the issues associated with poverty. He also made the human immunodeficiency virus (HIV), diabetes, and hypertension his top public health priorities. He extended a smoking ban to all commercial establishments in New York City and banned restaurants from serving foods with trans fats. He started a $7.5 billion affordable housing plan to aid half a million people who were living in or near poverty. He was also responsible for initiating Opportunity NYC, a program aimed at helping poor New York citizens break the poverty cycle.

Bloomberg also became deeply involved in environmental issues throughout his tenure as mayor. He is convinced that global warming is a reality and that large cities must address the problem of climate change if catastrophe is to be averted. In 2007, he initiated a plan, PlaNYC: A Greener, Greater New York, which calls for the reduction of carbon dioxide emissions through the use of cleaner, more efficient fuels and encourages greater use of public transportation. He hopes his plan will help prepare New York City for a projected population increase of more than one million people by 2030. Bloomberg accomplished all of these reforms while balancing New York City's budget, turning a $6 billion deficit into a $3 billion surplus. His critics point out that in order to accomplish this turnaround, Bloomberg cut public services and increased property taxes.

In 2008, Bloomberg reversed his longtime support for term limits, persuading the city council to change municipal law and enable him to seek a third term as mayor. This move angered many New Yorkers, some of whom voted for his opponent, William Thompson, Jr., in the 2009 mayoral election. This resentment was cited as one reason that Bloomberg won the race by a closer-than-expected margin. Bloomberg, the richest man in New York City, spent $102 million on his reelection, at that time the most expensive self-financed campaign in American history.

Supporters mounted a concerted effort to draft Bloomberg for a presidential run in 2008. Bloomberg seemed interested in running as an Independent candidate but ultimately decided against an attempt. He did not, however, rule out a run in 2012. His blend of fiscal conservatism, social liberalism, and business acumen would seem to make him a desirable candidate for many moderates in the United States.

In addition to his political activities, Bloomberg has been heavily involved in philanthropy since acquiring great wealth. In 2008, he and Bill Gates, cofounder of Microsoft Corporation, gave $500 million to help Third World countries control tobacco use, especially among minors. Bloomberg donated $300 million to his alma mater, Johns Hopkins University, where he chaired the board of trustees from 1996 to 2002. Some estimates put the total amount of money given or pledged by Bloomberg since 2001 at more than $1 billion.

The Johns Hopkins University Bloomberg School for Public Health

John D. Rockefeller and William Howard Welch founded the Johns Hopkins School of Hygiene and Public Health in 1916, and over the years it became the model for schools of public health throughout the world. On April 20, 2001, university trustees renamed the school the Johns Hopkins University Bloomberg School for Public Health in honor of a $300 million gift provided by businessman Michael Bloomberg, who would later become mayor of New York City.

The institution is the largest school of public health in the world, employing 530 full-time and 620 part-time faculty and providing instruction to 2,030 students from eighty-four countries. The school boasts more than fifty research centers and institutes and ranks first in federal research support from the National Institutes of Health. In 2007, it placed first in *U.S. News and World Report*'s rankings of schools of public health.

Located across from the Johns Hopkins Hospital in East Baltimore, Maryland, the school offers master's degrees in public health, health science, health administration, and science, as well as three doctoral degrees. It also provides postdoctoral training and residency programs in preventive medicine and occupational medicine. The institution publishes *The Johns Hopkins Public Health Magazine; Journal of Health Care for the Poor and Underserved*; *Epidemiologic Review;* and *Progress in Community Health Partnerships: Research, Education, and Action*. The *American Journal of Epidemiology* is published by Oxford University Press on the school's behalf. Among the school's more notable alumni are Virginia Apgar, one of the pioneers in the field of neonatology; former Surgeon Generals Leroy Edgar Burney and Antonia Coello Novello; Donald A. Henderson, who was instrumental in the eradication of smallpox; Bernard Roizman, a virologist who is considered the world's leading expert on the herpes simplex virus; and Alfred Sommer, a professor emeritus at the school who has conducted research on the causes, consequences, and control of vitamin A deficiency.

Legacy

Bloomberg's legacy is already well established. Between 2004 and 2007, he pledged more than $600 million to charity. He has been especially active in supporting efforts to combat tobacco use among adolescents worldwide. He has donated tens of millions of dollars to New York City recipients ranging from arts organizations to support efforts for people and families dealing with cancer. He has also endowed a professorship at Harvard University and supported Jewish religious organizations.

In addition to his philanthropic activities, Bloomberg's legacy includes his public service. As mayor of New York City, he has been a leading advocate of educational reform and improving the quality of life for all New Yorkers through crime prevention and public transportation improvements. He has received numerous awards for both public service and philanthropy.

—*Paul Madden*

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See also: Walter Annenberg; Barbara Cox Anthony; David and Frederick Barclay; Silvio Berlusconi; Anne Cox Chambers; Katharine Graham; John H. Johnson; Robert L. Johnson; John Kluge; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; John D. Rockefeller; Ted Turner.

Sultan Hassanal Bolkiah

Bruneian ruler

Sultan Hassanal Bolkiah of Brunei is one of the richest rulers in the world primarily because of his nation's vast oil and natural gas reserves. The sultan and his family are known for building the world's largest palace, enjoying a lavish lifestyle, and providing the citizens of Brunei with generous benefits and tax credits.

Born: July 15, 1946; Brunei Town (now Bandar Seri Begawan), Brunei
Also known as: Haji Hassanal Bolkiah Muʿizzaddin Waddaulah; Sultan and Yang Di-Pertuan of Brunei Darussalam
Sources of wealth: Inheritance; oil; real estate
Bequeathal of wealth: Children

Early Life

Haji Hassanal Bolkiah Muʿizzaddin Waddaulah, better known as Sultan Hassanal Bolkiah (sool-TAHN HAH-sah-nahl bowl-KEE-eh), the twenty-ninth sultan of Brunei, was the eldest son of the late Sultan Omar Ali Saifuddien III and Raja Isteri Pengiran Anak Damit. Little information is available about Bolkiah's early years. The majority of his education was private and was obtained in Brunei, although he attended high school at Victoria Institution in Kuala Lumpur, Malaysia, where he joined the Cadet Corps. He later enrolled at the United Kingdom's elite Royal Military Academy Sandhurst, graduating in 1967. Since becoming sultan of Brunei, Bolkiah has been awarded honorary degrees from universities in Russia, Indonesia, the United Kingdom, Thai-

Istana Nurul Iman

Istana Nurul Iman, Palace of the Light of Faith, is the world's largest palace. It is the official residence of Sultan Hassanal Bolkiah, the ruler of Brunei, and is located on the Brunei River south of the nation's capital, Bandar Seri Begawan. Philippine architect Leandro V. Locsin designed the structure and it was built by a Philippine company, Ayala International. Construction began in 1984 at an estimated cost of $1.4 billion.

Istana Nural Iman contains 788 rooms, 257 bathrooms, 5 swimming pools, an air-conditioned stable for 200 polo ponies, a 110-car garage, a banquet hall that accommodates 4,000 guests, and mosques for 1,500 worshipers. The residence also features 564 chandeliers, 44 stairwells, and 18 elevators. The exterior is decorated with Islamic and Malay motifs of pointed arches, latticework, arabesque and pierced screens, and intricate geometric designs, and the building is topped by twenty-two-carat golden domes and vaulted roofs. Stylized flower motifs are visible in the handwoven carpets throughout the palace and in the glass mosaics. The interior of the building was constructed from native hardwoods, Moroccan red onyx, and an estimated sixteen acres of marble. Istana Nurul Iman's waterfront location gives the palace the appearance of literally floating along the horizon.

In addition to being the residence for the royal family, Istana Nurul Iman is the seat of Brunei's government, housing the prime minister's office, a throne room large enough for two thousand occupants, and rooms for state functions and official audiences with Sultan Bolkiah. The structure measures almost 2.2 million square feet, making it the largest palace in the world, bigger than the Royal Palace in Madrid (almost 1.5 million square feet), Great Britain's Buckingham Palace (828,818 square feet), and France's Palace of Versailles (551,218 square feet). Istana Nurul Iman Palace is closed to the public, except for the annual Islamic celebration of Hari Raya Idulfitri (the festival at the end of the Muslim fasting month), when approximately 110,000 visitors are invited during a three-day period.

land, and Singapore. His father, Sultan Omar, bestowed the title of crown prince on Bolkiah in 1961. Sultan Omar abdicated in 1967, elevating Bolkiah to the position of sultan. By 2009, Bolkiah, who had been married three times, had two wives and was the father of twelve children.

First Ventures

Brunei's economic wealth is based on its extensive reserves of oil and natural gas. The country's royal family has ruled for more than five hundred years, providing national stability. From 1888 to 1984, Brunei was a British protectorate, and the sultanate was allowed to manage the nation's economic resources for domestic consumption. The Brunei constitution of 1959 gave the sultan full executive authority to run the country. Brunei was placed under martial law in 1962, the same year the nation's legislative council was dissolved. Bolkiah reconstituted the legislative council in 2004. Two years later, he changed Brunei's constitution to make him legally infallible. The sultan also holds the government positions of prime minister, minister of defense, and minister of finance.

Brunei's population numbers approximately 225,000 residents. Using some of his nation's oil and natural gas profits, which amount to billions of dollars each year, Bolkiah initiated projects aimed at improving the quality of Bruneians' lives. Education is free from preschool through college, and citizens receive free medical care. Home and auto loan interest rates are considered modest, there is no income tax, and generous pensions are provided. In 2008, the International Monetary Fund ranked Bruneians as having incomes averaging $50,117 annually—the fifth highest income in the world, behind Qatar, Luxembourg, Norway, and Singapore. Oil and natural gas reserves are expected to continue to bring wealth to Brunei well into the twenty-first century. In 1983, the sultan established the Brunei Investment Agency, which invests in foreign oil and natural gas reserves and has holdings in corporations, real estate, and currencies.

Mature Wealth

In the early twenty-first century, Brunei was the fourth largest oil producer in Southeast Asia and the ninth largest exporter of natural gas in the world. Brunei Shell Petroleum, co-owned by the nation of Brunei and Royal Dutch Shell Corporation, is the country's major oil and natural gas production company. A division of this corporation liquefies the majority of the nation's natural gas and sells it to Japan. About 67 percent of Brunei's crude oil is consumed by Australia, Indonesia, and Korea, and Japan and China are also major purchasers. Mitsubishi, Royal Dutch Shell, and the Brunei government collectively invest in a number of international projects with natural gas revenue.

There is no clearly defined distinction between Brunei's revenues and those appropriated by the sultan and the royal family. The sultan has been annually listed by *Forbes* magazine as one of the richest men in the world. The sultanate's revenues permitted construction of the world's largest palace in Brunei's capital city, Bandar Seri Begawan. Bolkiah's wealth also enabled him to purchase the Dorchester Hotel in London and shopping centers and hotels in Singapore. He expanded the runway at Brunei International Airport, making it the longest runway in the world. In 1996, the Dorchester and a group of other luxury hotels, including properties in Beverly Hills, California, Paris, and Milan, Italy, became part of the newly created Dorchester Collection. Bolkiah's other business enterprises include the Nudhar Corporation, which owns an 18 percent stake in Patersons Securities, and the Bahagia Investment Corporation, a Malaysian company that invests in real estate.

In 2002, the Brunei government began developing the nation as an international financial center with an emphasis on Islamic banking. The country is also promoting ecotourism, building a cyberpark that will be used to develop an information technology industry, and is assisting small and medium-sized businesses. These enterprises aim to diversify Brunei's economy and make it less dependent on fluctuating oil and natural gas prices and on the nation's diminishing oil and gas reserves.

Legacy

Much publicity about Bolkiah centers on speculation about his personal wealth and the purchases made by him and other members of the royal family. In 2007, *Forbes* ranked the sultan of Brunei as the world's richest man, with his wealth estimated at $22 billion, and the sultan spends his wealth extravagantly. Photographs of the royal family display members wearing expensive jewelry and carrying symbols of office covered in gold and precious stones.

The sultan is reputed to have amassed one of the largest automobile collections in the world, with between three and six thousand cars worth more than $4 billion. The collection focuses on the purchase of unique and unusual concept cars. *Guinness World Records* estimated that Bolkiah owns five hundred Rolls-Royces, including the last Rolls-Royce Phantom VI, made in 1992. The British newspaper *Daily Mirror* reported in 2007 that the sultan owned 551 Mercedes-Benzes, 367 Ferraris, 362 Bentleys, 185 BMWs, 177 Jaguars, 160 Porsches, 130 Rolls-Royces, and 20 Lamborghinis.

The sultan's private plane, a Boeing 747-400, cost an estimated $233 million, including $3 million in gold-plated furniture. Bolkiah also owns more than two hundred polo ponies transported on Royal Brunei Airlines, the national carrier that he created. In 1997, he purchased a red diamond weighing less than one carat for more than $800,000.

In the first decade of the twenty-first century, however, his wealth was believed to be compromised by his younger brother Prince Jefri Bolkiah, who used revenues from the Brunei Investment Agency to invest in business ventures that eventually failed. The sultan initially accused Prince Jefri of embezzling $15.4 billion from the authority, but the sultan later dropped these charges.

—*William A. Paquette*

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See also: Al-Waleed bin Talal; Elizabeth II.

Orlando Bonsignori

Italian banker and merchant

Bonsignori and his brother inherited from their father a thriving banking and wool trade concern. Under Bonsignori's direction, the firm expanded and adopted the name Gran Tavola. Numerous factors (agents) represented Gran Tavola from England to the Balkans, and the firm conducted business with the Papacy. At Bonsignori's death, Gran Tavola was unrivaled among Sienese firms, but its vulnerabilities would lead to its ultimate demise.

Born: c. 1210; place unknown
Died: c. 1273; place unknown
Sources of wealth: Banking; trade
Bequeathal of wealth: Unknown

Early Life

Orlando Bonsignori (Ohr-LAHN-doh Bohn-see-nyor-ee) was born in the early thirteenth century to Bonsignore di Bernardo, a small-time merchant in the city-state of Siena, whose name in its Latin genitive form became the family surname. Very little is known of the family's history or that of Bonsignori himself until he entered the family business on his own. Family records for much of this period no longer exist, and public records regarding members of the merchant class in Siena are scant, except regarding their participation in civic activities. The medieval *Cronaca senese* (chronicle of Siena) ascribes the founding of the Bonsignori *società* (company) to the year 1209, and it would have been around this time that Orlando was born. He most probably would have worked in the family business alongside his brother Bonifazio, accumulating connections, capital, and experience. One of the family's activities included a share in collecting the customs duty for salt entering Siena and Grosseto, and another was small-scale banking on behalf of the Papacy in Rome.

First Ventures

The earliest mention of Orlando Bonsignori appears in Siena's tax records for 1229. His very low civic tax liabilities then and in the 1230's indicate that he had yet to emerge among Siena's major business figures. His emergence as an important businessman remains shrouded, but it seems clear that he and his brother Bonifazio superseded their father and quickly entered the thirteenth century world of international finance. The keys to the brothers' success appear to be their family solidarity and papal banking connections. Along with several other merchants from Siena, the two brothers are mentioned in papal registers from 1235.

Mature Wealth

The Papacy had been a major financial player in Italy and throughout Western Europe. Beginning around 1233, the Piccolomini *società*, headed by Angeliero Solafico, served as the papal depository. These bankers loaned the popes cash to meet their immediate needs wherever these financiers and the Papacy shared business interests. The popes also received infusions of cash from local papal collectors, holding it for use locally or for transfer when needed. The greater the bankers' capitalization, the greater their use to the Papacy.

The Bonsignori brothers began working with the popes through the Bonsignori company under Pope Gregory IX. Bonifazio represented the family business, as well as the city of Siena, at the papal court, while Orlando remained in Siena, managing the efforts of partners and agents who operated in an ever-widening geographic circle. The brothers' business expanded under Pope Innocent IV, earning them special treatment, papal protection, and the court title *familiares nostri* (members of our household). The pope's support was a useful means for the Bonsignori brothers to pressure other debtors to repay their loans.

Pope Alexander IV was engaged in an active struggle with the Hohenstaufen heirs of Emperor Frederick II, and he made much greater demands on the Bonsignori bankers than his predecessors. With Bonifazio's death in 1255 and the restructuring of the firm, Orlando organized the Gran Tavola dei Bonsignori, or "great table of the Bonsignori." The word "table" is equivalent to the Italian *banca*, meaning bench, and was meant to indicate a much grander financial structure than the Bonsignori family had previously operated.

By this time, Bonsignori's firm had reached a high point in its fortunes as a merchant banking company, and it had done so in partnership with members of other entrepreneurial clans. By expanding his partners while maintaining control of the business, Bonsignori controlled a much larger capital base from which to make loans. The Gran Tavola was the largest banking operation in thirteenth century Siena and one of the greatest of its day throughout Europe. It remained in operation until it went bankrupt in 1298.

In 1260, Pope Alexander IV placed an interdict (a communal excommunication) on Siena, which sided with the Ghibellines, a political faction that supported the Hohenstaufen rulers of the Holy Roman Empire against the pope. At the time, Siena was battling the Guelphs, the pope's supporters in his conflict with the Hohenstaufen heirs, in Florence; Bonsignori, whose civic obligations included seven cavalrymen (*cavallata*), was serving in Siena's army. Pope Urban IV confirmed the interdiction against Siena in 1262, but he specifically exempted the Bonsignori family and their Gran Tavola. This papal action forbade observant Christians from repaying loans or debts held by other Sienese companies, which left the Bonsignori firm in the unique position of continuing to conduct business when other Sienese bankers could not.

However, papal banking was only one facet of Bonsignori's commercial activity. Although he generally acted as his company's principal, he usually represented a consortium of merchants or bankers, but since none of their commercial records survives it is impossible to know his investments and profits. In 1253, he gained partial control over the silver mines at Montieri near Volterra, and he probably participated in the cloth trade between central Italy and the annual fairs in Champagne, France. As a banker he served King Henry III of England at least sporadically from 1249; another of his customers was the abbot of Saint-Germain-des-Prés, France, whose

Gran Tavola

After the death of his brother Bonifazio and with increased papal demands for money, Orlando Bonsignori restructured and expanded his Siena-based banking concern, founding the Gran Tavola dei Bonsignori in 1255. Bonsignori's hold over papal finances grew ever tighter during the 1260's, gaining the Gran Tavola a near monopoly on papal business transactions.

By 1260, the Sienese civil government and many of its citizens had developed strong Ghibelline political affiliations, supporting the Hohenstaufen Dynasty in its battle with the Papacy, which was supported by the Guelphs. Bonsignori sided with the Ghibellines, but he continued to conduct business with the Papacy, and the Papacy overlooked Siena's ties to the Ghibellines. In 1265, Bonsignori repaid this papal support by agreeing with Pope Clement IV to form a *società* (company), which included himself and twenty-six other merchants. This newly created business collected 200,000 lire for the support of Charles of Anjou's efforts to drive Manfred Hohenstaufen from Italy.

Bonsignori continued to control the Gran Tavola until his death around 1273, though with his absence from Siena from 1270 to 1273 the organization began to unravel. His son Fazio d'Orlando and nephew Niccolò di Bonifazio took over some of his functions, but nonfamily members gained control and the Gran Tavola entered a long period of decline. In the late 1280's and early 1290's, the Gran Tavola still played a major part in papal finance, but its role was dwindling, and the Bonsignori family's participation in the company was similarly fading. In 1289, a reorganization resulted in a *società* of five Bonsignoris and eighteen outsiders, with capital of 35,000 gold florins; the balance of power shifted even further away from Bonsignori control in 1292. Disagreements over leadership, decision making, and resource allocation, as well as distrust, weakened the firm internally, and outsiders spread rumors that further crippled the company. Rising competition from Florentine bankers, lack of cooperation from the aggressive King Philip the Fair of France, dwindling papal support, and Sienese Guelphs' disaffection with the essentially Ghibelline firm undermined the Gran Tavola's effectiveness.

On August 9, 1298, most of the Gran Tavola's partners who were not Bonsignoris petitioned the Sienese government to protect their assets and delay the payments they owed to Siena. Their assets were scattered all over Europe, and additional time could help them meet their fiscal obligations. Panic set in and demands for restitution intensified. A blue-ribbon panel was formed to decide the Gran Tavola's fate, and the result was the termination of the firm's charter.

In 1302, Sienese officials began an investigation into members' assets, all of which, excluding their wives' dowries, were liquidated to pay creditors. In 1307, the Sienese effort was renewed; in 1308, the French king published his claims that the firm owed him 54,000 *livres tourneois* and jailed Sienese merchants in France as hostages. This led to a general undermining of Sienese fortunes and the collapse of several other Sienese companies, including the Malavolti, Squarcialupi, and Tolomei firms, during the following decade.

During the liquidation of the Gran Tavola, the Papacy claimed a loss of 80,000 florins, restitution of which it sought in 1345 at a time when Florentine banking firms, such as the Bardi and Peruzzi companies, were failing dramatically. A papal interdict placed on Siena resulted in negotiations and an agreement from remaining Bonsignori family members to pay 16,000 florins to the Papal Curia during a thirteen-year period, an obligation the family met.

association with Gran Tavola began in 1250. Good service resulted in success, and both laymen and ecclesiastics who needed cash transacted business with Bonsignori.

In dealing with the pope, Bonsignori could hold funds in deposit, exchange currencies (of which there were scores at the time), transfer funds from deposit to creditors, and make loans in a variety of currencies. Each of these transactions produced income for the Gran Tavola. However, the business experienced risk when its customers did not repay their loans. In the late 1260's, Bonsignori money simultaneously funded both Charles of Anjou, a Guelph supporter, and Henry of Castille, a Ghibelline backer. Bonsignori also invested in land, most of which was located in the vicinity of Sant'Angelo in Colle, Italy, and was worked by peasants through a form of sharecropping.

In 1270, Bonsignori lent money to help Charles of Anjou beat his imperial rival and secure Siena for the Guelphs. Bonsignori, who supported the Ghibellines, and his family fled Siena, overseeing a kind of government in exile in Cortona. This exile severely stressed the Gran Tavola, which continued to operate from Siena. Bonsignori died circa 1273, survived by his wife Imiglia and their seven children.

Legacy

The Gran Tavola began to decline after Bonsignori's death. In his lifetime, however, his vision, organizational skills, and charisma enabled him to secure a place among Italian merchant bankers and eventually to dominate this occupation. He was able to separate his strongly held political beliefs from his professional activities, as evidenced by his financial support for the Guelphs despite his political support for the Ghibellines. He used his wealth to benefit Siena, providing aid to a local hospital, paying hefty taxes, offering thousands of dollars in loans, and helping the local economy by remaining solvent when the rest of Siena was under papal interdict.

—Joseph P. Byrne

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See also: Ridolfo de' Bardi; Agostino Chigi; Francesco Datini; Giovanni de' Medici; Lorenzo de' Medici; Jacopo de' Pazzi; Filippo di Peruzzi.

Scipione Borghese

Italian cardinal and art patron

Borghese used his position as Pope Paul V's assistant cardinal and the pope's nephew to acquire the finest art and to restore some of the most exquisite monuments in Rome. The paintings, sculptures, and architecture he commissioned remain some of the best examples of Italian Renaissance art in the world.

Born: 1576; Rome (now in Italy)
Died: October 2, 1633; Rome
Also known as: Scipione Caffarelli (birth name)
Sources of wealth: Inheritance; real estate; church
Bequeathal of wealth: Relatives; artistic patronage; museum

Early Life

Scipione Borghese (shih-pee-OH-neh bohr-GAY-zeh) was born Scipione Caffarelli, the son of Marcantonio Caffarelli and Ortensia Borghese, sister of Pope Paul V. He attended Collegio Romano in Rome and the University of Perugia, taking degrees in philosophy and law. In 1605, his uncle, the pope, made him a cardinal and granted him permission to use the Borghese name and coat of arms. The young cardinal has been described as having a jovial personality; he was apparently much more outgoing and sociable than his rather stern uncle.

First Ventures

Borghese benefited immensely from his uncle's nepotism. He occupied many prominent positions in the Roman Catholic Church, including archbishop of Bologna, superintendent *negotiorum sanctae sedis*, prefect of the Tribunal of the Apostolic Signature of Grace, librarian of the Holy Roman Church, protector of Loreto, archpriest of the Lateran Basilica, and *camerlengo* (chamberlain) of the Sacred College of Cardinals. For each office, Borghese accrued revenues through salaries, papal taxes and fees, and gifts. His annual income in 1616 was about 160,000 scudi (a single scudo was equivalent to about 3.5 grams of gold).

He invested in valuable land around Rome, especially in the Alban Hills. In the first part of his career, Borghese commissioned several renovations of religious buildings. His restorations of the St. Andrew and St. Sylvia Chapels near San Gregorio Magno al Celio in Rome are early examples of the ecclesiastical works he sponsored.

Mature Wealth

Borghese used part of his wealth to make a name for himself as a preserver of Rome's glory. His religious architectural projects included the restoration of the San Sebastiano basilica and reconstruction of the San Crisogono church. His secular projects included the renovation and expansion of the Palazzo Borghese and the Villa Borghese. Borghese's gardens were beautiful—canopies of greenery with vineyards, wooded areas, and formal arrangements of flowers. These important projects, however, pale in comparison to Borghese's art collection.

Borghese collected antiquities as well as contemporary art. His collection included artworks by Caravaggio, Raphael, Perugino, Guido Reni, Peter Paul Rubens, and Titian. Borghese acquired a reputation for being ruthless in his efforts to acquire artworks. For example, a painting by Raphael disappeared from a church in Perugia and somehow ended up in Borghese's collection. In another instance, Borghese imprisoned the painter Domenichino for refusing to sell him a painting already promised to another cardinal. Borghese eventually got the painting he desired.

Borghese, however, recognized and supported artistic genius. His early patronage of the sculptor Gian Lorenzo Bernini launched that artist's stellar career. Just before Borghese's death, Bernini captured the rounded face of his patron in bronze twice. These busts were later displayed in the Galleria Borghese. Borghese continued to lavish his wealth on art, religious building restorations, and improvements to his magnificent villas until his death in Rome in 1633. He was buried in Santa Maria Maggiore.

Legacy

In some ways, Scipione Borghese was a typical cardinal nephew of a Renaissance pope: a recipient of unearned wealth, who had to deal with the jumble of business, government, and politics that characterized life in the Papal States. Borghese stands out, however, because of the extraordinary art collection he left behind. After the death of his uncle Pope Paul V in 1621, Borghese moved to the Palazzo Borghese, where he relocated most of his paintings, creating the Galleria Terrena. His sculptures were housed at the Casino Borghese, a museum on the property of the Villa Borghese that was established for his statuary.

Seventeenth century Italian art flourished because of Borghese's largesse. He preserved precious religious architecture and antiquities. His unique style, which was evident in his homes and gardens, could be said to have helped launch an entirely new form of artistic expression—the Roman Baroque.

—*Janet M. Ball*

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See also: Alexander VI; Lorenzo de' Medici.

John Bouvier

American investor, stockbroker, and socialite

One of the heirs to the Bouvier fortune, John Bouvier augmented his wealth with a seat on the New York Stock Exchange. Living in an apartment building in New York known for its wealthy residents and highlighting the city's social scene, "Black Jack" imparted his sense of style to his daughters, Jacqueline Kennedy Onassis and Lee Radziwill.

Born: May 19, 1891; East Hampton, New York
Died: August 3, 1957; New York, New York
Also known as: John Vernou Bouvier III; Black Jack Bouvier
Sources of wealth: Inheritance; financial services
Bequeathal of wealth: Children; dissipated

Early Life

The Bouvier fortune was established by Michel Bouvier, a French émigré who arrived in Philadelphia in 1815 following Napoleon I's defeat at Waterloo. Owning furniture factories, speculating in land and construction, and becoming rich from his interests in coal mines, Bouvier died in 1872 with a fortune equivalent to about $30 million in 2010. This fortune was multiplied several times by his son, Michel Charles Bouvier. John Vernou Bouvier (BOO-vyay-ay) III was Michel's great-grandson, born to John Vernou Bouvier, Jr., and his wife, Maud Frances (née Sergeant) Bouvier.

Young John was raised on the Bouvier country estate, Woodcraft, in Nutley, New Jersey. He had a younger brother, William, and three younger sisters, Edith and the twins Michelle and Maud. John attended the Morristown School and Philips Academy Exeter before enrolling at Yale University. Cole Porter was a classmate, and Bouvier and Porter sang together in the Yale Glee Club, becoming lifelong friends. Upon graduation, Bouvier became a stockbroker on Wall Street, where he earned the nickname "Black Jack" for his perpetual tan, debonair airs, and sense of derring-do. The handsome Bouvier was often noted for his resemblance to the actor Clark Gable. Bouvier served briefly in the army during World War I.

First Ventures

In 1922, Bouvier bought a seat on the New York Stock Exchange for $115,000 (equal to about $2 million in 2010), and he founded his own Wall Street firm. His firm was profitable and he became a man-about-town, touring New York City in a chauffeured Lincoln Zephyr motorcar. He was a highlight of New York high society, known for keeping a stable of racehorses, throwing lavish parties, and dating attractive women. He flew up and down the East Coast in a private jet to attend swanky events. On July 7, 1928, Bouvier married Janet Norton Lee. Their daughter, Jacqueline Lee, was born on July 28, 1929. With the stock market at an all-time high, Bouvier's profits from his brokerage firm approached $1 million a year. A second daughter, Caroline Lee, was born on March 3, 1933.

Bouvier was at first hardly affected by the stock market crash on Black Tuesday, October 29, 1929, because he had sold short about $100,000 worth of securities in order to profit if stock prices declined. In 1932, the Bouviers moved into an eighteen-room duplex apartment at 740 Park Avenue, in a building built and owned by Bouvier's wealthy father-in-law, James Lee. The imposing, nineteen-story, limestone-clad structure, located on Park Avenue between Seventy-first and Seventy-second Streets, was the most extravagant apartment building in New York City. All of the apartments were at least two floors tall and contained every modern convenience. In his apartment, Bouvier added gold plating to the bathrooms and wood paneling to the common rooms. A room of his apartment was converted into a small gym so he could maintain his trim physique.

In addition to their Manhattan apartment, John and Janet resided in the Bouvier family country estates, Lasata and Wildmoor, in exclusive East Hampton, New York, where they were waited upon by a small army of servants, nannies, maids, chauffeurs, and cooks. They dined in New York's finest restaurants, such as Longchamps and La Rue. Bouvier's horse stable continued to grow, and he introduced his daughters, known as Jackie and Lee, to the sport of horseback riding, taking them on jaunts through Central Park. Bouvier was a prominent member of New York's exclusive Maidstone, Yale, and Racquet Clubs, and he had a Stutz touring car custom-built for his leisure. Jackie and Lee enjoyed a privileged lifestyle, traveling in Bouvier's four chauffeured limousines, attending society affairs, and being indulged by their father, who doted on them.

Mature Wealth

In 1933, Bouvier earned $2 million in the stock market (about $24 million in 2010). However, as the Great Depression ground on and the stock market continued to plunge, Bouvier lost this amount and much more. When his grandfather died in 1935, leaving an estate worth $1.65 million, Bouvier was distressed that his father, John Bouvier, Jr., inherited the bulk of the estate, while Bouvier himself received only a small bequest. By 1936, Bouvier's net worth had plummeted to $100,000. To support his lavish lifestyle, he had to borrow money from his father and father-in-law. However, his extravagance soon got the better of him. As a result of his womanizing, he and Janet separated in 1936. By 1939, the separation had become bitter, with John claiming that Janet abused their daughters by spanking them and Janet hiring a detective

John Bouvier walks alongside his daughter Jacqueline while she is riding horseback. (©Bettmann/CORBIS)

740 Park Avenue: The World's Richest Apartment Building

Apartment buildings are usually not associated with the very wealthy; in fact, these buildings originated as tenements for the poor. However, throughout the world there are some apartment buildings that are synonymous with wealth. For example, the Naseef building in Riyadh, Saudi Arabia, constructed by the wealthy merchant Omar Naseef in 1882, contained more than one hundred apartments and rooms for his extended family. For a century, the tree in front of the building was the only tree in Riyadh, which exemplifies the building's prestige and status. The Albert Hall Mansions, built in London in the 1880's, were the most fashionable British apartments for decades.

The Manhattan borough of New York City has long been the site of beautiful apartment buildings designed by some of the nation's leading architects. For example, the stately Dakota building is a National Historic Landmark. However, the apartment house at 740 Park Avenue, highlighted in a 2007 "biography of a building," has earned renown for being the "world's richest apartment building." Its residents are a microcosm of wealthy American society, and the building, like many dense living quarters, has been the site of friendships, jealousies, gossip, love affairs, and rivalries, all of which were magnified by the wealth of its inhabitants.

The 740 Park Avenue building, constructed just before the stock market crash of 1929, was designed to be the most luxurious dwelling on tree-lined Park Avenue. Nicknamed "Croesus's Sixty Acres," Park Avenue in the 1920's was the residence of the world's largest concentration of millionaires, and the street had an aggregate wealth of $3 billion. The building at 740 Park Avenue would become known to some as "Plutocrats Palace." Its builder and owner, James Lee, was John Bouvier's father-in-law, and its architect was Rosario Candela, the city's leading apartment designer. The nineteen-story building was clad in expensive Indiana limestone.

The building is a cooperative, in which residents buy shares in their apartments. The building is actually a series of mansions, built vertically rather than horizontally. It contains thirty-one apartments, and each apartment is a duplex or triplex, with interior staircases, marble floors, fireplaces, servants' quarters, libraries, loggias, spacious rooms with twelve-foot ceilings, and ample sunlight.

John Bouvier and his family were among the first residents of the building. John D. Rockefeller, Jr., moved there in 1936. Other wealthy residents over the years included liquor company magnate Edgar Bronfman, Sr.; businessman Ronald Lauder; financier and investor Henry Kravis; Marshall Field III, a scion of the wealthy retailing family; investor Ronald Perelman and his former wife Faith Golding; bridal gown designer Vera Wang; Irene Guggenheim of the Guggenheim family; J. Watson Webb, a film editor and heir; heiress Flora Whiting; several Vanderbilts and Chryslers; Greek shipping tycoon Stavros Niarchos; Ecuadoran "Banana King" Luis Noboa and his wife Mercedes; and Steven J. Ross, former chief executive officer of Time Warner, and his former wife Courtney. Billionaire industrialist David H. Koch purchased an apartment for $17 million. In 2000, businessman Stephen A. Schwarzman paid $37 million for artist Saul Steinberg's thirty-four-room triplex. In 2008, Courtney Ross sold her apartment for $60 million.

to document John's extramarital affairs. On July 22, 1940, Janet was granted a divorce on the grounds of adultery.

Bouvier was again disappointed when his father died in 1948. John Bouvier, Jr., had inherited the bulk of the Bouvier fortune but had consumed it as the patriarch of the Bouvier dynasty, incurring huge expenses for his Manhattan, New Jersey, and Long Island estates and paying for his often extravagant children. Bouvier did inherit more than $100,000 from his father, as well as a release from the debts he owed the estate. However, he realized that his opportunity to acquire the kind of fortune that was being accumulated by another Catholic American investor—Joseph P. Kennedy, whom the Bouviers regarded with some disdain—had been lost.

For a man whose life had begun with great promise, Bouvier's latter years were marked by a certain pathos. His considerable fortune was overshadowed by his even more considerable expenses. When his former wife Janet remarried into the wealthy Auchincloss family, Bouvier began vacationing in Cuba, forsaking his former Long Island haunts. He drank heavily; he was so intoxicated on the day in 1953 on which his daughter Jacqueline married Senator John F. Kennedy of Massachusetts that he failed to make it to the wedding ceremony, even though he had been scheduled to give his daughter away in marriage. However, upon returning to bachelor life, Black Jack maintained his sense of style. He was well known in New York society for his exquisitely tailored clothes, dressing glamorously in expensive, buttoned-down shirts from Brooks Brothers with club ties from F. R. Tripler & Co., polished black shoes, and suit jackets sporting silk handkerchiefs. In wintry weather, he donned double-breasted overcoats and black homburg hats. He dined in

New York's finest restaurants with his young paramours, and he haunted the Polo Bar of the Westbury Hotel, looking for new conquests. In 1955, he sold his seat on the New York Stock Exchange for $60,000, equal to about $700,000 in 2010. He died two years later.

Legacy

The Bouviers were the first Catholic family of wealth and distinction to enter New York high society. The Bouvier fortune was considerable, but it did not survive John Bouvier, Jr., illustrating the famous American adage about the rise and fall of dynastic wealth going "from shirt sleeves to shirt sleeves in three generations." Neither John Bouvier III's inheritance nor his Wall Street profits were enough to sustain his magnificent lifestyle. Although he lacked the substance of great wealth, Bouvier certainly possessed an abundance of its accoutrements. Handsome and debonair, he illuminated high society in Manhattan and the Hamptons. He was known for his immaculate dress, insouciance, manly glamour, luxury apartments, horses, gambling, soirees, fine dining, and liquor. His romantic adventures were legendary.

By itself, all this would only make him a charming rake of little historical significance. However, by all accounts he passed on his style, charm, and charisma to his two daughters, Jackie and Lee. Lee married Prince Stanislas Radziwill of the Polish royal family. Jacqueline's husband became the forty-first president of the United States, tragically assassinated by Lee Harvey Oswald in 1963. As First Lady, Jacqueline was widely admired for her panache, style, and elegance, inherited from her father. Although John did not have much of the Bouvier fortune with which to enrich his daughters, his daughter Jacqueline was associated with several other historic fortunes—those of her stepfather Hugh D. Auchincloss, Jr., the Kennedy family, and her second husband, Greek shipping tycoon Aristotle Onassis.

—*Howard Bromberg*

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See also: Brooke Astor; Clarence Dillon; Doris Duke; Joseph P. Kennedy; Charles E. Merrill; Consuelo Vanderbilt.

Anthony N. Brady

American investor, contractor, and utility magnate

Brady owned public utilities and street railway and other transportation systems, and he was a major investor. He was a primary stockholder, director, and president of more than fifty corporations, including American Tobacco, Brooklyn Rapid Transit, and Standard Oil.

Born: August 22, 1843; Lille, Norde, France
Died: July 22, 1913; London, England
Also known as: Anthony Nicholas Brady
Sources of wealth: Utilities; transportation systems; investments
Bequeathal of wealth: Relatives; charity

Early Life

Anthony Nicholas Brady was born in Lille, Norde, France, on August 22, 1843. He moved with his parents to Troy, New York, in 1857, and he received his elementary school education there. Brady expressed no inclination to pursue higher education, which his parents probably could not have afforded. Instead, he was attracted to business ventures, and at age fifteen he began working in the barbershop of the Delavan House Hotel in Albany, New York.

First Ventures

When he was nineteen, Brady started a tea store and opened branches in Troy, Albany, and New York City. These shops were one of the first examples of a chain store operation in America, although some called his enterprise a monopoly. Because Brady's profits from the tea stores were relatively small, he pursued other business ventures to generate additional income.

Brady became interested in construction in New York State, and he began contracting to build sewers, pavements, and other public improvements. He even purchased granite quarries to furnish materials for his contracts. He later was the Chicago contractor for the Manhattan Oil Company of Lima, Ohio. Brady also became interested in public utilities. He eventually took control of the Albany Gas Light Company, and with some investors he bought gas plants in Troy and Chicago.

Mature Wealth

As his income grew, Brady purchased traction (transportation) lines in Providence, Rhode Island. Eventually, he began focusing his business ventures on New York City, which seemed the most promising area for his commercial activities. In 1887, he helped reorganize the Brooklyn Rapid Transit Company (later the Brooklyn Manhattan Transit Company), and he served as chairman of the company's board of directors for twenty-six years. In 1912, he was influential in expanding Brooklyn Rapid Transit to include both the Coney Island and Brooklyn lines, strengthening his control of the city's public transportation system. Brady also purchased street railways in Washington, D.C., and Philadelphia, and he extended his interests in public electric utilities, notably the New York Edison Company.

Brady was a major stockholder in some fifty corporations, including Standard Oil Company. He also was president of New York Gas and a director of Westinghouse Electric Company, American Tobacco Company, U. S. Rubber, United States Cast Iron Pipe and Foundry, two mining companies, Union Carbide and Carbon Corporation, Mohawk-Hudson Power Corporation, and dozens of power and light companies in New York State and in Japan.

Legacy

Brady died in July, 1913, and left his $85 million estate to his family, including his sons James Cox Brady and Nicholas Frederic Brady, who managed their father's wealth. Nine months before his death, two of his seven children—Flora Brady Gavit and Mary Brady Tucker—and the wife of his son James died in a transit accident in Connecticut. As a result, Brady's estate created the Anthony N. Brady Memorial Medals. In 1914, the American Museum of Safety presented the first of these annual awards to the American electric street railway that made the greatest contributions to accident prevention and industrial hygiene. Brady's heirs also used money from his estate to found the Anthony Brady Memorial Laboratory at Yale University's school of medicine and a maternity hospital and infant care home in Albany, and they helped finance Walter P. Chrysler's automobile company.

—*Anita Price Davis*

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See also: William Henry Aspinwall; Daniel Drew; James Buchanan Duke; Samuel Insull; John D. Rockefeller; Thomas Fortune Ryan; William Thaw; Peter A. B. Widener.

Jim Brady

American investor and salesman

Brady, a Gilded Age salesman and investor, supported a lavish lifestyle, collected diamond jewelry, invested heavily and successfully in the New York Stock Exchange, started several businesses, and donated generously to medical institutions.

Born: August 12, 1856; New York, New York
Died: April 13, 1917; Atlantic City, New Jersey
Also known as: James Buchanan Brady; Diamond Jim Brady
Sources of wealth: Trade; investments
Bequeathal of wealth: Friends; medical institutions

Early Life

James Buchanan Brady grew up in Hell's Kitchen in New York City. His father was Daniel Brady, an Irish immigrant who owned Brady's Saloon; the family lived above the bar. When the saloon's profits dwindled after his father's death and his mother's remarriage, eleven-year-old Brady and his thirteen-year-old brother Daniel worked as bellboys at the luxurious St. James Hotel in an upper-class district of New York City.

John M. Touchey, an executive and later the general manager of the New York Central Railroad, took an interest in Brady and paid for his education. Brady continued to work as a bellboy while attending school. With Touchey's help, Brady secured a job in the baggage department at Grand Central Station. After only two years on the job, seventeen-year-old Brady became station agent while continuing his education.

First Ventures

When Brady was twenty-one, he became head clerk at New York Central Railroad and helped his brother Daniel secure a job with the railroad. Unbeknownst to Brady, Daniel began to steal from the railroad, and, as a result, both brothers lost their jobs. In 1879, Touchey once again helped Brady, asking Charles Moore to hire Brady as a salesperson for Moore's railroad supply company, Manning, Maxwell, and Moore.

At this time, Brady began exhibiting the penchant for luxurious living and lavish spending that would earn him the nickname Diamond Jim. He believed that personal appearance was important, and with the help of a friend

Jim Brady. (Archive Photos/Getty Images) who was a tailor, he wore clothes that conveyed success. He also began collecting elegant jewelry, including some pieces with diamonds, to enhance his appearance. He frequented the most exclusive clubs and restaurants in the company of elegant young women, eating heartily but drinking only orange juice. His nights extended into the wee morning hours.

Mature Wealth

Brady eventually became the most successful salesman in America, and his work made Manning, Maxwell, and Moore a financial empire. In 1902, he began to establish some steel companies.

At the same time, Brady continued to lavish friends, associates, clients, and even newsboys with gifts, and he did not neglect himself. He became vastly overweight with his overindulgence in food and unhealthy living habits. Although he never married, Brady's extravagant social life included relationships with Edna McCauley and singer Lillian Russell. He and Russell remained best friends. Brady owned the first automobile in New York City. His treasures included thirty sets of jewelry worth $1 million, which would later be liquidated at his estate sale.

Brady's health declined with his excesses and long nights of celebration. When he had to seek medical help, his doctor admitted him to Johns Hopkins Hospital, predicting he had only one day to live. After the surgical removal of the largest gallstones ever extracted up to that time, Brady survived. In gratitude, he heaped gifts upon his caregivers and exorbitant donations upon the hospital.

However, Brady's health problems eventually forced him to change his occupation. He began investing heavily and successfully in the New York Stock Exchange. His investments vastly increased his wealth, which eventually exceeded $12 million.

Brady's health continued to decline, and he eventually suffered from angina pectoris, stomach ulcers, diabetes, and kidney problems. Instead of reentering a hospital, Brady spent his last months in the Shelbourne Hotel in Atlantic City, New Jersey. He died in Atlantic City on April 13, 1917.

Legacy

Brady's extravagant living and spending epitomize the ostentatious displays of wealth that characterized the Gilded Age in late nineteenth century America. His rise from a poor boy in New York City to a successful millionaire exemplifies the upward mobility that was available to some businessmen in that era and is an important part of his legacy. Photographs of his jewelry collection, with its thirty complete sets of items, including matching belt buckles, tie clasps, cuff links, and bracelets, explain his nickname Diamond Jim. However, he also used his wealth philanthropically, endowing the James Buchanan Brady Urological Institute in 1912 and making contributions to the Cornell Medical Center. The congenial and free-spending Brady could be as generous to charities as he was to his friends and clients.

—Anita Price Davis

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See also: John Insley Blair; William Andrews Clark; Jay Cooke; Charles Crocker; Daniel Drew; John W. Garrett; Jay Gould; Edward H. Harriman; James J. Hill; Mark Hopkins; Collis P. Huntington; Daniel Willis James; George Mortimer Pullman; Leland Stanford; William Thaw; Cornelius Vanderbilt; William Henry Vanderbilt.

RICHARD BRANSON

British entrepreneur

In 2010, Branson was listed in Forbes *magazine as the 221st-richest person in the world, with an estimated net worth of $4 billion. A self-made man, Branson became a very successful entrepreneur through a wide variety of business ventures, including music sales, music production, air and rail transportation, banking, and soft drinks.*

Born: July 18, 1950; Shamley Green, Surrey, England
Also known as: Sir Richard Charles Nicholas Branson
Sources of wealth: Entertainment industry; banking; transportation systems
Bequeathal of wealth: Spouse; children; charity

EARLY LIFE

Richard Branson was born on July 18, 1950, in Shamley Green, Surrey, England. His father, Edward James Branson, was an attorney; his mother, Eve, was a former airline flight attendant who managed the household after marrying. Branson's parents were loving and supportive, and his mother was fond of setting challenging goals for him. Branson was educated in boarding schools, initially Scaitcliffe Preparatory in Windsor Great Park and subsequently Stowe in Buckinghamshire. He did not attend college. Branson suffers from dyslexia, a learning disorder that results in difficulty with reading and spelling, and he performed poorly in academics. However, he was popular in school because of his ability to converse effectively and connect with others.

FIRST VENTURES

Branson's first significant business venture occurred in 1967, when he and a childhood friend established *Student*, a periodical focused on the interests of secondary school and college students. *Student* was notable because it seemed to bring out the best in Branson's can-do nature. He secured interviews with many notable figures of the time, including John Lennon and Yoko Ono; convinced numerous large corporations to advertise in the periodical; and also managed to get arrested. The arrest was a result of his advertising venereal disease counseling and condom availability in *Student*. The police alleged that Branson violated two statutes, the 1889 Indecent Advertisements Act and the 1917 Venereal Disease Act. He was acquitted on the charge related to the Venereal Disease Act but was later convicted on the Indecent Advertisements Act charge and sentenced to pay a token fine equivalent to $14.

Richard Branson. (Getty Images)

Branson's next significant business venture was the opening of a record store in London in 1969.

He expanded to mail-order record sales the following year and eventually opened additional stores, ultimately creating the huge Virgin megastore chain of music shops. This business venture also resulted in Branson's arrest after British customs officials charged him with selling nontaxed records, which he claimed to export. Branson settled out of court by paying the required customs duties and penalties.

MATURE WEALTH

Throughout the 1970's, Branson expanded his line of Virgin record shops, opening stores throughout the United Kingdom and ultimately throughout the world. The stores boasted extensive inventory and an informal atmosphere that appealed to young people. This formula proved successful and was the start of the Virgin empire.

In 1971, Branson bought a country manor in Chipton-on-Cherwell near Oxford, England, with the intention of converting the home into a recording studio. He felt there was a need for a more relaxed environment in which music artists could record. He also saw the potential for making a profit. Later that year, Mike and Sally Oldfield arrived at the manor to make a recording. Mike Oldfield's choice of the manor as a recording location was fortunate for Branson because Oldfield went on to record the multiplatinum Tubular Bells album at the manor. *Tubular Bells* earned a great deal of money for the new Virgin Records label that Branson launched in 1972. Over the years, income from sales of *Tubular Bells* would pull the Virgin Group, Ltd., back from the brink of bankruptcy and provide vital capital for the establishment of new business ventures.

Throughout the 1970's, Virgin Records struggled to stay solvent. Mike Oldfield was a consistent earner, but other artists did not prove as successful, and in 1980 the company lost \$13.5 million. This financial picture changed drastically in 1982, when Virgin Records signed Boy George and Culture Club to the label. That year, the company earned a profit of \$3 million, and in 1983 profits climbed to \$16.5 million. The little Virgin label that other music publishers had derided was now a major force in the record industry.

Branson established Virgin Atlantic Airlines in 1984 with a single leased Boeing 747 jumbo jet. Virgin Atlantic initially had only one route, from New York's John F. Kennedy International Airport to London's Gatwick Airport. The maiden flight from Gatwick to Kennedy started with a bang, literally, when one of the jet's four large engines ingested birds on takeoff and had to be shut down. Not to be deterred, Branson continued to move forward, ultimately building Virgin Atlantic into a profitable and popular airline. Along the way, he had to endure a lengthy legal battle with British Airways. Branson accused British Airways of libel, and the Virgin Records label had to be sold in order to raise capital to keep the airline viable. The lawsuit against British Airways concluded with Branson and Virgin Atlantic settling for more than \$900,000 in damages.

In 1986, Branson made the decision to publicly trade stock in the Virgin Group. A huge level of interest accompanied this initial public stock offering. Unfortunately, the stock did not appreciate as hoped. In addition, Branson did not like the additional oversight and direction that the operation of a public company entailed. Consequently, in late 1987 all issued stock was bought back at the original purchase price and Virgin once again became a private company.

In 1991, Virgin Records signed Janet Jackson for a record \$25 million single-album deal. The signing of an artist for a single record instead of several was unheard of and the music industry perceived this deal as extremely risky. However, Virgin Records continued to prosper and began looking to purchase another label, Thorn/EMI, in order to gain control of this firm's lucrative record rights inventory. Ironically, when Virgin Atlantic Airlines fell

The Virgin Earth Challenge

On February 9, 2008, Richard Branson and Al Gore, the former U.S. vice president and Nobel Peace Prize winner, announced the Virgin Earth Challenge. The challenge offers a \$25 million reward to the individual or entity that proposes a viable method of mitigating greenhouse gases from Earth's atmosphere.

Greenhouse gases are created by burning fossil fuels and are responsible for retention of solar heating and a resultant gradual warming of Earth's atmosphere. This warming phenomenon is causing climatic changes, including melting glaciers and polar ice caps, which result in rising ocean levels and significant alterations in weather patterns. The predominant greenhouse gas is carbon dioxide. Proponents of the global warming theory suggest that the greenhouse gas phenomenon will be cataclysmic for the Earth.

Specifically, the Virgin Earth Challenge seeks to encourage the development of a commercially viable new technology to remove anthropogenic greenhouse gases from the atmosphere in order to improve the stability of Earth's climate. It is estimated that more than two hundred billion metric tons of carbon dioxide have collected in the Earth's atmosphere over the last two hundred years, a 25 percent increase over pre-Industrial Revolution levels. The technology that will win the Virgin Earth Challenge must be capable of removing significant amounts—defined as one gigaton or more per year—of greenhouse gases from the environment for a period of not less than ten years. The results achieved by the technology must achieve "long-term" benefits, with the prize conditions suggesting a one-thousand-year time period.

Winners of the \$25 million prize will receive an initial payment of \$5 million when their greenhouse gas removal project is initiated, with the remaining \$20 million to be paid at the successful completion of the ten-year project. Judges for the challenge include Branson, Gore, and four internationally recognized scientists and scholars. Branson and Gore are hopeful that the offer of \$25 million will be sufficient to stimulate research resulting in a significant reduction in the rate of global warming.

on hard economic times, it was Thorn/EMI that purchased the Virgin recording label for an astounding $1 billion. This huge infusion of cash allowed Virgin Atlantic Airlines to survive and gave Branson the financial wherewithal to continue expanding his empire.

The 1990's found Virgin expanding into a very diverse collection of business ventures, including Virgin Cola, a soft drink company; Virgin Money, a banking and investment company; Virgin America, an American-based airline; Virgin Mobile, a telecommunications company; Virgin Trains, a British rail provider; and Virgin Galactic, a space tourism company. Although all of the ventures are significant in some way, Virgin Trains and Virgin Galactic are probably the most intriguing. Virgin Trains is Branson's attempt to revitalize and modernize the British rail system. By 2009, Virgin was managing a significant portion of Britain's rail transportation, with the west of England served by a modern high-speed train system designed and implemented by the company. Virgin Galactic is Branson's attempt to beat big government at its own game—namely, spaceflight. In 2004, Branson's partners in Virgin Galactic, Paul Allen, cofounder of Microsoft Corporation, and aircraft designer Burt Rutan, won the Ansari X prize for conducting the first civilian launch of a reusable space vehicle twice within a two-week period. Allen and Rutan were awarded $10 million for their efforts. Rutan also designed a spacecraft in which Virgin Galactic planned to take clients on brief spaceflights. On December 7, 2009, SpaceShipTwo was rolled out in the Mohave Desert—the first public appearance of a commercial passenger spacecraft.

Branson has publicly stated that his goal is to continue to expand his enterprises whenever the Virgin Group has money. This formula has proven highly effective for the Virgin empire, which in 2009 employed more than fifty thousand people in a highly diverse collection of companies.

Legacy

Richard Branson has made significant impacts on each of the industries into which he has ventured. From music to airlines and on to spaceflight, Branson has raised the bar of quality and competitiveness. Consumers have benefited greatly from Branson's Virgin Group by receiving higher quality and lower prices. His adventurous and exciting life are both fascinating and inspirational. Truly a self-made man, Branson triumphed over dyslexia to become one of the richest people in the world.

Like many ultrarich individuals, Branson has turned his efforts toward altruistic causes. He has used his money to build medical clinics in Africa and pledged $25 million to fund the Virgin Earth Challenge, an award designed to stimulate innovation in the mitigation of greenhouse gases in Earth's atmosphere. Branson was instrumental in bringing together a group of worldly intellectuals known as the Elders, including South African leaders Nelson Mandela and Desmond Tutu and Kofi Annan, the former secretary general of the United Nations. The Elders seek to objectively solve difficult global conflicts.

—Alan S. Frazier

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See also: Paul Allen; Mark Cuban; David Geffen; Robert L. Johnson; Sumner Redstone; Steven Spielberg.

Thomas Brassey

British railroad and construction contractor

Brassey's wealth came from his large contracting business, which built railroads, docks, bridges, and ports. He took advantage of the rapid development of railroads in the mid-nineteenth century, bringing to their construction a high degree of business integrity and engineering skill.

Born: November 7, 1805; Buerton, Cheshire, England
Died: December 8, 1870; Hastings, Sussex, England
Sources of wealth: Construction business; railroads
Bequeathal of wealth: Children

Early Life

Thomas Brassey (BRAS-see) was the son of John Brassey, a long-established Cheshire farmer, living just south of Chester. Home-schooled at first, Thomas was then sent to a school in the city of Chester for four years. His father then apprenticed him to William Lawton, a land surveyor who was primarily employed by a Welsh landowner, Francis Price.

Brassey did so well that Lawton took him into partnership and in 1826 placed him in charge of a new business in Birkenhead, Cheshire. This little community was involved in the development of Liverpool as Great Britain's major port and was soon thriving. Brassey helped develop nearby brickworks and quarries. When Lawton died, Brassey took over the business and also became Price's land agent. In December, 1831, he married Maria Harrison, who encouraged him to move into railroad contracting.

First Ventures

Brassey's first venture into contracting was the building of a four-mile stretch of road leading to Birkenhead. Through this project, in 1834 he met George Stephenson, a leading railroad engineer, who persuaded Brassey to bid for the construction of the Dutton Viaduct on the Grand Junction Railway, one of the first long-distance railroads in Britain. Although unsuccessful in this bid, Brassey was awarded the contract for the Penkridge Viaduct on the same line in 1835.

After completing this project, he was asked to bid on additional contracts for the railway. He moved his family to Stafford and then to London in 1836 to facilitate these contracts. He worked with Stephenson and then with Stephenson's engineering pupil, Joseph Locke. Brassey also made successful bids for stretches of other early railroad lines in Cheshire, Yorkshire, and Scotland.

Mature Wealth

Meanwhile, other European countries were moving into railroad construction. Locke was appointed engineer on the new Rouen-Paris line, and in 1841 he invited Brassey to bid for it. Brassey worked with another British contractor, Sir William Mackenzie, on this rail line, thereby setting a precedent of being willing to work with other contractors. Between 1841 and 1844, Brassey and Mackenzie built 437 miles of French railways. In 1846, one of Brassey's viaducts at Barentin collapsed. Brassey rebuilt the viaduct at his own expense. The 1848 revolution in France forced Brassey to look elsewhere for work.

Great Britain was now in the midst of a railway mania, and work was readily available back home. By the time the mania subsided in the early 1850's, it was estimated that Brassey had been involved in the construction of more than one-third of all the railroads built during the decade, his largest undertaking being the Great Northern Railway, for which Brassey employed between five and six thousand laborers, or "navvies."

Between 1850 and 1870, Brassey took on multiple contracts throughout Europe, Canada, Argentina, India, and Australia. He later diversified into the construction of docks, sewerage systems, and ships. For these projects he set up his own building works just outside Birkenhead.

In 1867, failure of a railroad over Mont Cenis caused him much stress and a breakdown. Although he insisted on resuming his labors, his health could not withstand the pace, and he suffered a stroke in 1868. He died from a brain hemorrhage two years later, leaving some $20 million in assets and funds.

Legacy

Thomas Brassey's outstanding legacy was the huge network of railroads he established all over the world. All of these railways were built to the highest standard. He had gained a reputation for total integrity, which extended to the welfare of his workers. He had superb business acumen, as well as an eye for selecting deserving men to whom he could delegate work. Many of his subordinates were able to earn their own fortunes.

However, none of his three sons followed him into the business, choosing instead to enter politics, in which they all became members of Parliament. His oldest son was made a baron and wrote a book on his father's business theory. In his biography of Brassey, Sir Arthur Helps praises Brassey for being the best type of self-made man that industrial Britain had produced.

—*David Barratt*

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See also: Ninth Duke of Bedford; John Ellerman; Hugh Grosvenor; Thomas Holloway; Samuel Loyd; Moses Montefiore; William Weightman.

DONALD BREN

American real estate developer

Bren, the developer of the Irvine Ranch in Southern California and other properties, has given generously to educational causes, especially to the University of California system. In addition, he has contributed greatly to the arts in the Los Angeles area and donated to medical research and environmental projects.

Born: 1932; Los Angeles, California
Also known as: Donald Leroy Bren
Source of wealth: Real estate
Bequeathal of wealth: Educational institutions; medical research; artistic patronage

EARLY LIFE

Donald Leroy Bren is the older of two children born to Milton and Marion (née Newbert) Bren. His father was a real estate developer, best remembered for the development of Sunset Boulevard in Los Angeles, and a producer of motion pictures, including several of the *Topper* films. His mother was a friend of future First Lady Nancy Reagan. His parents divorced in 1947. Bren's father later married Claire Trevor, an Academy Award-winning actor. His mother married Earle Jorgensen, a steel tycoon who became a member of President Ronald Reagan's kitchen cabinet.

Bren attended public schools in Los Angeles. After graduating from high school in 1950, he attended the University of Washington in Seattle on a skiing scholarship. He graduated from college in 1954 with a degree in business administration and economics. In 1956, he tried out for the Olympic ski team but injured himself and failed to qualify. He then served a three-year tour of duty as a Marine Corps officer.

FIRST VENTURES

In 1958, equipped with a college degree, his father's real estate contacts, and $10,000 in borrowed money, he formed the Bren Company and built a house in Orange County, California, on speculation, thus launching a spectacular real estate career. He reinvested the profits from that first house and the others that followed. In 1963, he and two partners started the Mission Viejo Company, which planned and developed a community of eleven thousand acres that became the city of Mission Viejo, California, thus beginning his career as a developer of planned communities. Bren was president of the Mission Viejo Company from 1963 to 1967.

He sold his interest in the Mission Viejo property to one of his partners in 1969 for a substantial profit, and he then bought it back for a much lower price in 1972. He held the property for five years and then resold it to Philip Morris for a large profit. Bren promptly reinvested this profit, and he and a group of partners purchased the Irvine Company, which owned large tracts of land in Irvine, California, and the Irvine Ranch. Bren, the vice chairman of the company's board of directors, was also the largest single stockholder, owning 34.3 percent of the firm's shares. He became the majority shareholder by 1983, and in 1996 he bought all the outstanding shares and eventually became the company's sole owner.

MATURE WEALTH

The Irvine Company grew out of a ranch founded in 1864 by James Irvine, Llewellyn Bixby, and Benjamin and Thomas Flint. The property contains 185 square miles originating from three adjacent Mexican land grants. In 1894, James Irvine II incorporated the land as the Irvine Company. The Irvine Ranch is a separate entity of ninety-four thousand acres, of which the company retains forty-four thousand acres for development and the rest as a wilderness and recreational preserve. The ranch accounts for about one-fifth of Orange County, which is located south of Los Angeles.

The Donald Bren Foundation

Real estate developer Donald Bren formed the foundation that bears his name in order to disperse the huge sums of money he planned to donate to charity, especially to education and to environmental projects and research. The Donald Bren Foundation has given more than $200 million to support education in California, primarily in Orange County. More than $100 million of that amount has gone to kindergarten through twelfth-grade education, including a $20 million donation that expands enrichment programs in art, music, and science; an $8.5 million gift to THINK Together, an after-school program in the Santa Ana Unified School District in Orange County and other areas of Southern California; and millions of dollars in donations for programs that reward outstanding teachers and provide scholarships for worthy high school seniors.

In addition, the foundation has contributed more than $100 million to colleges and universities in and outside the University of California system, especially the University of California at Irvine and the University of California at Santa Barbara. This money has primarily been used to create endowed professorships with the aim of attracting top-rated scholars to the University of California system, but the grants have also endowed chairs at the California Institute of Technology, Chapman University, and the Marine Corps University in Quantico, Virginia. Altogether, the Donald Bren Foundation has endowed fifty chairs. The foundation also gave $20 million to help establish a law school at the University of California at Irvine, and it has donated $20 million to that university's School of Information and Computer Sciences, which was renamed the Donald Bren School of Information and Computer Sciences in recognition of the gift.

In its environmental efforts, the foundation has set aside more than fifty thousand acres in Orange County formerly owned by the Irvine Ranch for wild lands, parks, and trails. The state of California designated these lands a California Natural Landmark and the U.S. Department of the Interior acknowledged them as a National Natural Landmark. The foundation also committed $50 million to support the Irvine Ranch Conservancy and its research programs that aim to promote the protection, enhancement, and public enjoyment of the Irvine Ranch's parks, trails, and wild lands. In 2000, the foundation gave $1.5 million to the San Joaquin Wildlife Sanctuary in Orange County.

In addition, the foundation has donated considerable funds to leading research institutions, such as the Burnham Institute for Medical Research. The Burnham Institute conducts research into cancer, neurosciences and aging, and infectious and inflammatory diseases. Other research projects supported by the Donald Bren Foundation include efforts to find cures for human diseases, to improve the overall quality of life, to discover computer science solutions to improve human lives and corporate operations, and to seek interdisciplinary approaches to solve environmental problems.

The company became prominent during the 1960's as a developer of suburban master-planned communities and continued to operate into the twenty-first century. The Irvine Company owns and manages office buildings throughout Southern California, and it also owns and operates several commercial properties, including the Irvine Spectrum Center, Fashion Island in Newport Beach, California, and The Market Place in Tustin, California.

One of the planned communities developed by the company is the city of Irvine, California, which was formally incorporated on December 28, 1971. By the beginning of 2009, Irvine's population was 212,793, and the community covered almost seventy square miles. Originally planned by architect William Pereira as a community of fifty thousand people surrounding a new University of California campus, the new city turned out to be considerably larger than originally foreseen. Planned communities like Irvine have adequate housing in a variety of price ranges, schools of all levels, places of employment, parks, libraries, communication and transportation facilities, shopping centers, and places of worship. Irvine's streets all have landscaping allowances, with power line rights-of-way serving as bicycle corridors. Parks and greenbelts link ecological preserves, and reclaimed water irrigates the greenery. Irvine and other planned communities are completely self-contained living environments that offer a higher quality of life to their residents than many other areas.

Through the enterprises of the Irvine Company, Bren amassed an enormous fortune. In 2008, *Forbes* magazine's list of the four hundred richest Americans ranked Bren as the wealthiest American real estate developer, estimating his net worth at more than $12 billion.

Bren no sooner accumulated great wealth than he began giving it away to charitable causes. In 2008, *BusinessWeek* magazine ranked Bren at number nine on its list of the fifty most generous philanthropists in the

United States. The magazine estimated that Bren had pledged more than $907 million since 2003 and had given away more than $1.3 billion during his lifetime, mostly to educational institutions. His contributions included the endowment of distinguished professorships and chairs at the University of California, California Institute of Technology, Chapman University, and Marine Corps University. He has also given substantial sums for public kindergarten through twelfth-grade school systems in Southern California, including an $8.5 million gift to THINK Together, an after-school program for at-risk children in Orange County and other areas of the state. In addition, Bren donated $20 million to Orange County schools in order to expand enrichment programs in music, art, and science.

Bren has received many awards and honors for his philanthropy. He was elected a fellow of the American Academy of Arts and Sciences and was awarded the University of California's Presidential Medal, which is the university's highest honor recognizing significant contributions to the university system and to higher education. Bren has also donated to the arts and has been heavily involved in environmental preservation. Some observers have noted that Bren's philanthropic endeavors are more pragmatic than altruistic and seek to improve Irvine by making the community a better place to live and a more desirable place to own property.

Bren also used some of his wealth to participate in politics. He was an early supporter of President George H. W. Bush and later of his son, President George W. Bush. Bren is a skiing buddy and financial supporter of California governor Arnold Schwarzenegger and a donor to Republican legislative candidates and the Republican National Convention. He also became involved in Senator John McCain's unsuccessful bid for the presidency in 2008.

Legacy

Even though his life is far from over, Bren has already assured his legacy through his philanthropy. His donations to the University of California to endow professorships have attracted to the university campuses world-class scientists and scholars who have kept these schools in the forefront of the academic community. His financial support of kindergarten through twelfth-grade education in Orange County has already produced generations of well-educated citizens, prepared for careers in the workforce and for higher education. His gifts to the arts and to cultural and environmental projects have enhanced the quality of life for Southern California residents and secured the continued prosperity of the area. Most of all, his development of well-planned communities balancing workplaces, transportation, education, shopping, recreation, and places of worship has improved the quality of life of thousands of citizens. His motives for his philanthropy may have been selfish, but the results have benefited the entire community.

—*Paul Madden*

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See also: Sheldon Adelson; Leona Helmsley; John D. MacArthur; Jay A. Pritzker; Donald Trump; Steve Wynn.

SERGEY BRIN

American computer scientist and high-tech magnate

Brin and Larry Page, created a global phenomenon—the Google search engine. Google not only is a company and brand name but also has become a verb meaning to access information on the Internet.

Born: August 21, 1973; Moscow, Soviet Union (now in Russia)
Also known as: Sergey Mikhailovich Brin
Source of wealth: Computer industry
Bequeathal of wealth: Spouse; children; charity

EARLY LIFE

Sergey Mikhailovich Brin, better known as Sergey Brin (SIHR-gay brihn), was born in Moscow, Soviet Union, on August 21, 1973, to Michael and Eugenia Brin. His parents, both brilliant individuals, wanted to work in the Soviet space program, but the Communist government unofficially barred Jewish people from the top professional positions, including working in university physics and astronomy departments. Michael taught mathematics at a university. In 1978, fed up with the pervasive anti-Semitism in the Soviet Union and the potential limited future for young Sergey, the Brins applied for an exit visa. Michael was fired from his job at the university for filing the exit visa, but the visa was approved in 1979, and the Brins fled to the United States, eventually settling in Maryland.

Sergey, now six years old, went to a Montessori school that would foster his creativity, while Michael became a mathematics professor at the University of Maryland, and Eugenia eventually was employed as a research scientist at the National Aeronautics and Space Administration (NASA). Sergey was a quiet child who quickly learned English and was interested in puzzles, maps, and mathematical games. He had a relatively normal middle-class upbringing, attending public high school and graduating in three years. He graduated near the top of his class at the University of Maryland three years later, majoring in mathematics and computer science. He won a National Science Foundation scholarship for graduate school and earned his master's degree at Stanford University in 1995. Brin chose Stanford for its beauty, prestige, and reputation for supporting high-tech entrepreneurs.

FIRST VENTURES

Brin met Larry Page, a University of Michigan graduate, at a Stanford University doctoral program orientation in

The founders of Google, Sergey Brin (above) and Larry Page at the company's headquarters in Mountain View, California, in early 2004. (AP/Wide World Photos)

1995. Both men were sons of high-powered intellectuals, had strong mathematics and computer science backgrounds, and were Jewish, opinionated, and cocksure. They bonded immediately, relishing intellectual combat.

As a university research project, Brin and Page began to devise a better way to search and harness information on the Internet. At this time, Yahoo!, Inc., and America Online provided the dominant Internet search engines, but these companies focused on offering moneymaking services, like e-mail, news, and weather reports. Brin and Page believed that Internet searching could be improved, and they decided to build their own company, eventually taking a leave from Stanford. Combining Brin's interest in data mining with Page's interest in information linking, they set out to make Internet searching more intuitive and relevant by ranking links between Web pages according to their relative importance. Building upon the academic concept of measuring topicality and value based on citations in research papers, the men devised a system of Web page links that enabled them to rank the importance and relevance of Web sites. They called their system the PageRank algorithm. This system was a major breakthrough in Internet search technology and was the basis for the company they decided to call Googol (later changed to Google), a mathematical term meaning the number one followed by one hundred zeros.

Brin and Page began gathering dozens of inexpensive computers in their dormitory room as their method of searching the Internet by relevance proved to be superior to any other search technique. The initial version of Google was part of the Stanford University Web site, but the computer servers needed to operate Google were in Brin and Page's dormitory room, and the two needed to expand. After soliciting funds from friends, family, and faculty members, the two obtained enough money to purchase additional servers and move their operation into a rented garage in nearby Menlo Park, California. While working in this garage, the garage owner's sister, Ann Wojcicki, became friendly with Brin, and the two later married.

Brin and Page began to introduce their company to executives of other Silicon Valley businesses and landed an audience with Sun Microsystems' cofounder and Silicon Valley investor Andy Bechtolsheim. Bechtolsheim liked what he saw and wrote a check for $100,000 to "Google, Inc." instead of to "Googol." Page and Brin spent two weeks filing the paperwork needed to form a company named "Google," while keeping the $100,000 check.

MATURE WEALTH

Google quickly drew a loyal following of users during the dot-com bubble in the late

GOOGLE.ORG: AN EXPERIMENT IN ACTIVE PHILANTHROPY

Sergey Brin and Larry Page, the billionaire founders of Google, have used their incredible intellect and extreme wealth for a number of philanthropic initiatives, including Google.org, a venture that uses Google's global information reach. The two men committed approximately $1.1 billion to Google.org based on their firm's stock price in 2004, the year that this charitable arm of their company was established.

After taking Google public in 2004, Brin and Page promised investors they would make a social impact on the world that would be greater than that made by Google itself. Google has pledged to donate 1 percent of the company's equity and profits to philanthropy. By early 2010, Google.org had provided more than $100 million in grants and investments to numerous recipients.

In early 2009, Larry Brilliant, the "chief philanthropy evangelist" of Google.org, stated that the charity would establish a stronger alliance with Google's engineers and technicians to take a more targeted approach to issues believed to be of the greatest global importance.

Google.org focuses on providing financial assistance in the broad global areas of clean energy, health, information access, and "special projects." Its clean energy initiatives include grants and investments to discover forms of renewable energy that are cheaper than coal, to reduce greenhouse emissions, and to accelerate the commercialization of plug-in vehicles. Global health initiatives include the prediction and prevention of global outbreaks of diseases, the identification of disease "hot spots," and the provision of a rapid response to emerging threats, such as infectious disease and climate risk. Information access projects, according to Google.org's Web site, seek to use Google's global information technology to "inform and empower," improve public services, and spur the growth of "small- and medium-sized enterprises." "Special projects" includes fundraising for global causes, such as support for global disease eradication efforts and for disaster response and recovery.

Brin and Page are personally involved in Google.org, demonstrating their belief in the necessity of ethical, principled, and peaceful global living. They believe that technology, science, and intelligence will solve the needs of the planet, and to that end, they have opened up their wallets as well as their hearts.

1990's and survived after the bubble burst in 2001. While many other high-tech companies failed, Google pressed on with unrivaled growth and soaring popularity. Brin and Page wanted their company to earn the respect of the Wall Street business community, so they hired seasoned software executive Eric Schmidt as the company's chief executive officer. Schmidt oversaw Google's daily operations, while copresidents Brin and Page continued to devise innovative technologies and services for the firm. Brin and Page joked that Schmidt was the adult influence in a company filled with youth and exuberance.

In the spring of 2004, Wall Street brokers and investors finally took notice of Google when the company filed the necessary paperwork for its initial public stock offering. There had been rumors that the privately held Google was a strong company, but when it released its staggeringly large revenue and profit figures, there was no doubt that the firm was financially successful. The small-text advertisements that Google included in its search results were especially profitable, generating enormous revenues.

Google's stock began to be publicly traded on August 16, 2004, with an unusually high price of $85 per share. This initial public offering raised $1.67 billion, making Google a $23 billion company and Brin and Page instant billionaires. Many Google employees also became millionaires. In 2008, Google's stock price exceeded $500 a share, one of the largest market capitalizations in history (market capitalization measures the size of a business in relation to the price of its stock and the number of shares held by investors). Google is also one of the most successful companies in corporate history, and its success has generated personal fortunes of more than $15 billion each for Brin and Page.

Although he is a young billionaire, Brin does not spend money as lavishly as many would expect. He continues to be heavily involved in the management and growth of Google, the maintenance and funding of the company's philanthropic arm, Google.org, and the Google Foundation, as well as other charities. He has come to embrace his Russian heritage as an active member of the American Business Association of Russian Professionals, an organization founded to support the Russian-speaking professional community in the United States. However, Brin has a few extravagances. He and Page jointly own a number of aircraft, including two Gulfstream 5 business jets, a Dornier-Alpha fighter jet, and a private Boeing 767 purchased in 2005. The purchase of the Boeing 767, which Brin has called the "party plane," occasioned one of the few times that he and Page were criticized by the media. They have also been questioned about housing the Google fleet at NASA's Moffett Field in Santa Clara, near the "Googleplex" corporate offices. Brin's response to this criticism was that the jets needed to be at the NASA facility because they carry devices for specific atmospheric measurements to be conducted during flight. The explanation did little to quell the ire of their critics.

In 2007, Brin made a $5 million down payment to become a space tourist in 2011 as one of at least two passengers onboard the first private Soyuz flight to the International Space Station (ISS). The few previous space tourism flights have been for single passengers and have occurred during official missions to reprovision the ISS. Brin's private flight will not be an official mission but a true space ride, with one or two other passengers onboard. The estimated cost of this flight is at least $50 million.

Legacy

Brin is a third-generation mathematician and a brilliant computer scientist. He and Page are pioneers in Internet search technology, in Web site advertising, and in building one of the most well-known and successful companies of the Internet Age. He is a relatively young billionaire, so his legacy continues to evolve.

Following the philanthropic lead of Bill Gates, cofounder of Microsoft, Brin has actively used his considerable wealth and influence to effect positive change throughout the world. With the creation of Google.org and the Google Foundation, and, to a lesser extent, his assistance of the Hebrew Immigrant Aid Society (HIAS), the organization that helped the Brin family flee the anti-Semitism of the Soviet Union, Brin has pledged to aggressively support causes that are important to him. His contributions to the Michael J. Fox Foundation for research into Parkinson's disease are notable because Brin's mother is afflicted with this disease, and Brin may have inherited the gene for this disorder.

—*Jonathan E. Dinneen*

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Mark Cuban; Michael Dell; Larry Ellison; Bill Gates; Steve Jobs; Gordon E. Moore; David Packard; H. Ross Perot.

Edgar Bronfman, Sr.

Canadian liquor company magnate

Bronfman and his brother inherited their father's liquor distillery, Seagram & Sons, and increased its business by expanding and diversifying the company's products and holdings. Bronfman next used his wealth and social position to advance Jewish philanthropies and causes throughout the world.

Born: June 20, 1929; Montreal, Quebec, Canada
Also known as: Edgar Miles Bronfman, Sr.; Edgar M. Bronfman
Sources of wealth: Inheritance; sale of products
Bequeathal of wealth: Children; charity

Early Life

Edgar Miles Bronfman (BRONF-mahn), Sr., was born in Montreal, Quebec, to Samuel and Saidye Bronfman on June 20, 1929. He was the third of four children and the older of two sons. Growing up in Montreal, Bronfman attended Trinity College School in Ontario, Canada. As a young man, he rebelled against his father by denying his Judaism, turning his back on his family's liquor distillery, and attending Williams College in the United States. However, he returned to Montreal to attend McGill University, from which he earned his bachelor's degree in history, with honors, in 1951. He reconciled with his father and began to work with him at Seagram & Sons immediately after his graduation.

First Ventures

Bronfman worked at Seagram in Montreal from 1951 to 1957. He initially was an accounts payable clerk, but he was always in his father's shadow. Although Samuel Bronfman seemed to be handing control of Seagram to the next generation, he remained an active and vocal owner, retaining full veto power. In 1957, Edgar Bronfman was given control and appointed president of the company's American subsidiary; his younger brother, Charles, assumed the presidency of the company's Canadian-based business. At this time, the American subsidiary of Seagram & Sons accounted for 81 percent of the company's business.

Mature Wealth

As president of the American subsidiary, Bronfman began restoring Seagram's prestige by resurrecting the defunct Calvert Reserve brand of whiskey, renaming it Calvert Extra. He went on a personal appearance tour and was featured in company advertisements to help market the new product. He expanded into marketing more diverse types of liquor, including vodka, gin, and wine. At the end of 1965, Bronfman had increased Seagram's international presence to 119 countries and the company's sales earnings exceeded $1 billion. Even though the years from 1961 to 1971 saw a 40 percent decrease in the worldwide market for whiskey, under

Bronfman's control Seagram actually increased its market by 9 percent. In 1975, four years after his father Samuel's death, Bronfman changed the name of the firm to Seagram Company Ltd.

Bronfman used the power and wealth he had acquired at Seagram to underwrite his first major venture into a nonliquor industry. In 1969, he became president of MGM (Metro-Goldwyn-Mayer) Studios after having bought $40 million of MGM stock. In one year under his creative control, MGM lost $25 million and Bronfman was forced to resign. This diversion into the film business cost Seagram $10 million.

Edgar Bronfman, Sr. (©CORBIS Entertainment)

After returning his attention to Seagram, Bronfman reorganized the company, naming his brother Charles president of the entire firm, with responsibility for both American and Canadian operations. By 1977, the company earned a profit of $84 million. Although Seagram's product line was doing well, not all of Bronfman's enterprises were as successful. In the 1980's, in an effort to diversify Seagram's holdings, he attempted three corporate takeovers. After his $2.3 billion sale of Texas Pacific, the oil company his father had bought for $50 million in 1963, Bronfman contacted St. Joseph Minerals with a buyout plan, but he was rejected. His offer to take over Conoco Oil Co. also was refused, even though it was more than generous at $17 more per share than Conoco's market price. However, in the bidding process Seagram did acquire a 32 percent share in Conoco, which Seagram traded for a 24 percent share in E. I. du Pont de Nemours and Company. The relationship with du Pont proved to be very lucrative and stable, and it lasted until 1995, when the company was sold by Bronfman's son and heir. In 1981, Bronfman purchased Westmount Enterprises in order to market a new line of gourmet frozen foods, and he teamed with Coca-Cola to produce and distribute bottled mixed drinks and cocktails.

Bronfman was married five times to four different women, none of whom was Jewish. He had five children with his first wife and two with his third (and fourth) wife. He is one of the world's most important Jewish figures and has had an enormous impact on Jewish and Israeli affairs. His long commitment to Jewish causes is evident by his roles in various organizations. From 1979 until 2007 he was the president of World Jewish Congress, an organization dedicated to fighting anti-Semitism and promoting Jewishness. However, the organization also holds some controversial positions, such as supporting a two-state solution in Israel, promoting dialogue between Jews and moderate Muslims, and stopping the construction of new Israeli settlements in contested areas. Bronfman, who worked tirelessly with the organization and received much praise and recognition for his endeavors, left office in the midst of scandal over misuse of funds and his relationship with Israel Singer, the secretary general of the organization, whom Bronfman dismissed in 2007. Bronfman continues to be an outspoken supporter and critic of Israel and plays an important role as adviser to American policy makers on issues concerning Israel.

Bronfman's increasing interest in Jewish philanthropy and the Israeli-Arab peace process prompted him to turn over control of the Seagram company. When he announced his successor, he shocked the business world by naming his younger son, Edgar Bronfman, Jr. Everyone had expected that the college-educated Samuel Bronfman II would be made president instead of Edgar, Jr., who had forgone college in order to break into the entertainment business. Edgar, Jr.'s, disastrous initial foray into this business made him seem unsuitable as the head of a multibillion-dollar family business. Subsequently, this choice had dire effects on the Bronfman empire and fortune. Rifts in the family and the dissipation of the family's wealth have followed as a result of the younger Bronfman's business decisions. In his retirement, Edgar Bronfman, Sr., has been mute on the subject of his son's stewardship of the company and has turned his attention to writing books, Jewish causes, and other philanthropic enterprises.

Bronfman Youth Fellowships in Israel

The Bronfman Youth Fellowships were established by Edgar Bronfman, Sr., in 1987 to create educational experiences that would enrich the lives of American and Canadian Jewish teenagers. Although not a religious Jew himself, Bronfman is a staunch supporter of Zionist and Jewish causes. The Bronfman Youth Fellowships embody his principles and beliefs. He wants to help educate a generation of Jewish leaders and influential citizens who are strongly committed to Israel and connected to their own Jewishness. He further hopes to encourage Jewish pluralism by bringing together teenagers from diverse backgrounds, from the ultraorthodox to the agnostic and atheist and from small communities and large cities. Through these fellowships, he seeks to create discussion among Jewish people with disparate voices, so that despite individual differences the Jewish community can attain a united vision of the importance of perpetuating its heritage.

Every year, twenty-six sixteen-year-old high school juniors are chosen to participate in the fellowship program. It is an intensive, five-week-long experience in Israel, during which students study the Torah, learn about Israel's ancient and modern history, meet with Israeli leaders and politicians, and experience Israeli culture throughout the country. The fellows are also required to attend study sessions in New York City both before and after the trip. As of 2009, there were more than five hundred fellows, half of whom went on to attend Ivy League colleges, fifteen of whom were Rhodes Scholars, and many others who received other scholarships and were beginning their professional lives as leaders in many fields, such as medicine, law, writing, and filmmaking.

The success of the Bronfman Youth Fellowships program led Bronfman to inaugurate an Israeli version of the program, Amitei-Bronfman, in 1998. Young people in this program study together in Israel and spend their senior year of high school attending schools in the United States. The highly successful program Birthright Israel, which annually sends thousands of Jewish college-aged students to Israel for free ten-day trips, is based on the Bronfman Youth Fellowships program and financially supported the Samuel Bronfman Foundation, which Edgar Bronfman, Sr., established in honor of his father. These trips are designed to allow many Jewish students from around the world to visit Israel for the first time, with the goal of infusing them with a sense of connectedness to this nation.

Legacy

Edgar Bronfman, Sr.'s, legacy is almost entirely tied to his connections with Jewish philanthropy. Believing that Jews must maintain a Jewish identity, he devotes much of his money and time to promoting Jewish and Israeli causes. While serving as the president of the World Jewish Congress, he was instrumental in publicizing Jewish concerns and fighting worldwide anti-Semitism. For example, under his presidency, this organization exposed Austrian president Kurt Waldheim's past participation in Nazi activities. Bronfman was also deeply involved in negotiations with the Swiss government concerning Jewish property that was illegally confiscated during World War II. In addition, Bronfman has helped thousands of Soviet Jews emigrate to the United States. As head of the World Jewish Restitution Organization, Bronfman fought for the return of stolen Jewish items confiscated during the war, not simply for financial restitution. He is the largest single supporter of Hillel, the international college-based Jewish organization. In his other philanthropic enterprises, he is a benefactor of McGill University, many museums and fine arts causes, and various other charities.

—*Leslie Neilan*

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See also: Emilio Bacardi; Samuel Bronfman; Ernest Gallo; Edward Cecil Guinness.

Samuel Bronfman

Canadian liquor company magnate

Bronfman entered the liquor distributing business at the beginning of Prohibition. By working around legal loopholes, he became the largest liquor distributor in North America and introduced aged whiskey to the Canadian and American markets. He devoted his adult life to philanthropy and Zionism.

Born: February 27, 1889; Soroki, Bessarabia, Russian Empire (now in Russia)
Died: July 10, 1971; Montreal, Quebec, Canada
Source of wealth: Sale of products
Bequeathal of wealth: Children; charity

Early Life

Samuel Bronfman (BRONF-mahn), whose last name means "liquor man" in Yiddish, was born into a wealthy Russian-Jewish family and was one of eight children. The family fled czarist Russia, fearing the anti-Jewish pogroms there, and settled in Canada in 1889. Despite their wealth in Russia, the Bronfmans lived in poverty during their first years in Canada. Samuel's father, Yechiel Bronfman, who had been a tobacco farmer in Russia, soon realized that farming was not going to be his occupation in Canada. He began a series of jobs, first as a laborer, then in a saw mill, and finally as a merchant selling firewood and whitefish. He eventually began trading horses, which led the family to open a small hotel. The railroad boom helped their hotel take off, and soon the family was running three Canadian hotels.

First Ventures

In 1903, Samuel Bronfman purchased his first hotel and began running the family business with his brother Harry. In 1916, Samuel purchased the Bonaventure Liquor Store Company in Montreal. When Canada enacted Prohibition in 1918, the hotel business began to fall off sharply. Bronfman realized that much of the profit at his hotels was actually coming from their bars, and he decided to go into the liquor business full time. Bronfman and his brothers—Harry, Abe, and Allan—began selling spirits throughout Canada at great profit because of their scarcity during Prohibition. In 1918, a Canadian law made the importation, manufacture, and transportation of all liquor illegal, unless it was used for medicinal purposes. In response, Bronfman purchased the contract for Dewar's whiskey from the Hudson's Bay Company and began marketing his whiskey as elixirs and tonics through drugstores.

In 1919, the United States adopted its own Prohibition law, the Volstead Act. Prohibition was taken more seriously in the United States than in Canada, where there was not much actual implementation of the antidrinking legislation. By 1924, all Canadian laws against adult consumption of liquor were repealed. The Bronfman brothers, however, had used the period of Prohibition to build up an efficient distribution system, and in 1924 they founded the Distillers Corporation of Montreal, which sold cheap whiskey. This company's infrastructure allowed Bronfman to supply American bootleggers with liquor from 1919 until 1933, the end of Prohibition in the United States.

Mature Wealth

Because of American Prohibition, Bronfman was able to purchase 300,000 gallons of alcohol in the United States in 1919 and bring it to Canada, where it was used to make 800,000 gallons of liquor. He distilled the product into whiskey, selling it at a 500 percent markup. In 1926, Bronfman sold a 50 percent share in Distillers Corporation to the Distillers Company, a group of British distillers that controlled most of the world's market for Scotch whiskey. This transaction gave Bronfman the sole right to distribute the Haig, Black & White, Dewar's, and Vat 69 brands in Canada. In 1928, Bronfman expanded his Distillers Corporation by purchasing Joseph E. Seagram & Sons, the largest liquor distillery in Canada. With Bronfman as vice president, the new company, Distillers Corporation-Seagram Limited, made $2.2 million in profits in 1928. However, American Prohibition was having a negative effect on sales, and by 1930, profits had declined. Bronfman purchased warehouses all along Canada's eastern border with the United States and founded Atlantic Import and Atlas Shipping, two companies that facilitated the shipping of liquor into the United States. Although it was illegal to receive liquor shipments in the United States, it was not illegal for a Canadian to sell liquor, and in 1934, when the Bronfman brothers were tried for bootlegging, their case was dismissed.

Anticipating the eventual repeal of the Volstead Act in the United States, Bronfman had stockpiled whiskey; this stock was the largest private supply of aged whiskey in North America. In 1933, Bronfman acquired 20 percent of Schenley, a producer of rye whiskey. When Bronfman asked the board of directors of the Scotland-based Distillers Company to increase the price of Scotch whiskey, the board refused. In response, the Bronfman brothers raised enough money to buy out the Distillers Company's holdings in Distillers Corporation-Seagrams Limited, and Samuel Bronfman became president of Joseph E. Seagram & Sons. He then purchased a distillery in Indiana, establishing the American branch of Seagram's business.

Samuel and Saidye Bronfman Foundation

Founded in 1952, the Samuel and Saidye Bronfman Foundation was established by Samuel Bronfman and his wife, in their names and the names of their four children, in order to allocate family money for charitable and philanthropic purposes. Samuel and Saidye Bronfman shared the belief that civilization depended on the development and support of community values, and they dedicated their foundation to the support of these values. The foundation provides venture capital to nonprofit organizations, as well as to deserving individuals, in order to foster cultural and civic projects, with consideration given to sustainable enterprises. The organization is one of Canada's largest private philanthropic funds distributing money from a single family.

Among its contributions, the foundation provided financial support for higher education in Canada, with donations to McGill University and the University of Saskatchewan, among other schools. In 1971, Samuel Bronfman funded the construction of the Bronfman Building at McGill University to house the newly established Desautels Faculty of Management.

The foundation also provided funds for many artistic enterprises, including construction of the Saidye Bronfman Centre for the Arts, a community theater, art gallery, and fine arts school in Montreal commonly known as "the Saidye." By 2009, the structure had been replaced by the new Segal Centre for the Performing Arts. The foundation also donated $1.5 million to the Canada Council for the Arts, and these funds were used to create a trust providing yearly awards to crafts artists.

Both Samuel and Saidye Bronfman were recognized for their commitment to philanthropy by the creation of the Samuel Bronfman Award, presented to a recipient who has excelled in humanitarian work, and the Saidye Bronfman Award, given to artists whose work exemplifies creativity and excellence in execution.

Samuel's son, Edgar Bronfman, Sr., established the Samuel Bronfman Foundation in honor of his father. This organization seeks to inspire a renaissance in Jewish life, to educate young people about Judaism, and to strengthen the Jewish community. The foundation is a major supporter of Hillel, the college-based group devoted to campus Jewish life, and Birthright Israel, which provides free trips to Israel for non-Israeli college-aged applicants.

Relations with Schenley were not always smooth, however, and when Bronfman learned that Schenley would not agree to age its rye whiskey, he ended his associations with this company. For years, the two companies vied for first place in worldwide whiskey sales, with Seagram emerging the victor in 1947. At about this time, Bronfman forced his brothers out of the business and took over company management, insisting that only his sons, Edgar and Charles, would ever inherit or work for Seagram.

Bronfman was committed to changing the face of the whiskey business. He wanted to distance his name from the 1922 murder of his brother-in-law, Paul Matoff, by American bootleggers and remove the perception that his product was cheap rotgut. He insisted that Seagram sell blended, aged whiskey and opened "blending libraries" in New York, Montreal, and Scotland, where scientific processes were used to ensure his products' consistency and quality. To further ensure the quality of his product, Bronfman revolutionized the marketing and distribution of whiskey by selling it when it was already aged and bottled. Until this time, whiskey was shipped in kegs, which allowed for variations in the quality of the final product. Bronfman wanted all of his customers to know exactly what they were purchasing and be able to count on the integrity of the Seagram name. This practice soon became the industry standard. In the 1930's, Bronfman established a large-scale advertising campaign extolling the virtues of moderate and social drinking.

Bronfman purchased Maryland Distillers, including its Calvert brand, in 1934, and in 1936 he opened a distillery in Kentucky. In 1939, he purchased the Chivas brand's distillery in Scotland and created Chivas Regal as a tribute to King George VI when the king and his wife visited Canada. In the 1940's Bronfman expanded his company's product line to include the development and distribution of other types of spirits and wine. He became partners with a German vintner to purchase the Paul Masson vineyards and winery in California. Seagram further expanded by purchasing distilleries in the West Indies that made rum, including the Captain Morgan brand, and the champagne companies that produced Mumm and Perrier-Jouet, among other brands. By 1965, Bronfman's combined worldwide liquor enterprises were operating in 119 countries at a yearly profit of $1 billion.

Bronfman also commissioned architect Ludwig Mies van der Rohe to design his American headquarters in New York, and Mies van der Rohe's Seagram Building, a skyscraper in midtown Manhattan, remains a New York City landmark. In addition, Bronfman purchased Texas Pacific Coal and Oil Company for $50 million; after his death, his heirs eventually sold this firm for $2.3 billion.

Samuel Bronfman died of prostate cancer in 1971. He had always wanted to feel accepted by society and never felt that he achieved this goal. However, his reputation in Canada and the world was so great that upon his death he finally achieved the recognition he desired, when, on the occasion of his funeral, Montreal's airport had to be closed to regular air traffic in order to accommodate the private jets of the dignitaries attending the service.

Legacy

Samuel Bronfman's legacy is seen in many arenas, not simply the liquor business. His lifelong work was centered on philanthropy dedicated to fighting anti-Semitism and supporting cultural institutions. In 1951, he met with Shimon Peres, the future prime minister of Israel, to help procure weapons for Israel. Using his contacts in the Canadian government, Bronfman was able to purchase $2 million worth of guns at half price. When Peres could not pay, Bronfman threw a fund-raising dinner and obtained the money. From 1939 to 1962, Bronfman was president of the Canadian Jewish Congress. He also provided a good deal of support to McGill University in Montreal, despite its history of anti-Semitism. Perhaps his greatest legacy to the country of Canada was the creation of the Samuel and Saidye Bronfman Foundation, which is dedicated to providing private capital for artistic and other ventures. He was made Companion of the Order of Canada in 1967 and awarded the Chevalier de la Légion d'honneur by France in honor of his support of Zionism.

—*Leslie Neilan*

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See also: Emilio Bacardi; Edgar Bronfman, Sr.; Ernest Gallo; Edward Cecil Guinness.

MOSES BROWN

American textile manufacturer, merchant, and abolitionist

Brown was born into a prominent commercial and seafaring family in colonial New England, and he was instrumental in establishing the textile industry there. The most significant of his charitable bequests were to Brown University and to a private preparatory school.

Born: September 23, 1738; Providence, Rhode Island
Died: September 6, 1836; Providence, Rhode Island
Sources of wealth: Manufacturing; trade
Bequeathal of wealth: Relatives; charity; educational institution.

EARLY LIFE

Moses Brown was a member of a business-oriented family that was involved in various commercial enterprises in and around Providence, Rhode Island. While Brown's formal schooling ended when he was about thirteen, he learned business and seafaring skills through his family's business. The Brown family was involved in the African slave trade, although this was never their primary business venture. In 1764, Moses and his brother John Brown organized a slaving voyage of the ship *Sally*, which ended disastrously, with more than half of the slaves dying. This experience turned Brown away from the slave trade, and he eventually became one of the first abolitionists in America.

FIRST VENTURES

Brown ended any direct involvement with the slave trade immediately after the voyage of the *Sally*. He continued to work in the family firm, formally known as Nicholas Brown and Company, until the early 1770's. In 1773, his wife Anna died, prompting a spiritual crisis that led Brown to embrace the Quaker faith. He withdrew from active business work and devoted himself to religion, charity, and social reform, especially the cause of abolition. He moved to an estate named Elmgrove outside Providence and directed farming operations there, raising Merino sheep and experimenting with a variety of crops and techniques of crop rotation. In November, 1773, he freed the six slaves that he personally owned, and he renounced any financial interest in other slaves that were owned in common by the family.

MATURE WEALTH

After the American Revolution, Brown worked to establish the textile industry in the United States. He joined with a son-in-law, William Almy, and another relative to form Almy & Brown in order to begin textile mill operations. In 1789, Brown hired Samuel Slater, an immigrant from Great Britain with knowledge of the cotton textile industry, to examine some cotton spinning equipment that Brown's workers could not get to work properly. Great Britain at this time would not export cotton milling equipment and forbade the export of even the drawings or plans for building such machinery. Slater, however, had smuggled out valuable "mental baggage" and knew how to rebuild Brown's equipment.

In December, 1790, Slater worked with Brown to open the first water-powered cotton textile mill in the United States at Pawtucket, Rhode Island. Three years later, Slater became a partner in Brown's firm. While the milling industry made Slater wealthy, Brown claimed that he never made money from it but had simply recouped his initial investments. By the time both Slater and Brown died in the 1830's, New England had become second only to Great Britain as a center of the cotton milling industry. Brown was also involved in the founding of a bank in Providence in 1791, and he served as an officer of the bank for several years. In the early 1800's, Brown once again retired from active business pursuits.

Legacy

Although he never accumulated a truly massive fortune, Brown made gifts to numerous charities and reform groups throughout his lifetime. His most important legacies were the founding of Brown University and the Moses Brown School. While Brown University received support from many members of the Brown family, it was Moses who led the effort in 1770 to relocate the school, then called Rhode Island College, from Warren, Rhode Island, to Providence. In 1804, in honor of the generosity of Brown's nephew Nicholas Brown, the school took the name Brown University. In the twenty-first century, Brown University has faced considerable controversy over the fact that some of its original bequests were from people involved in the slave trade. Moses Brown also led an effort and donated land to establish a Quaker boarding school in Providence in 1784. In 1909, the school took the name the Moses Brown School.

—*Mark S. Joy*

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See also: Sir Richard Arkwright; Paul Cuffe; Nicholas Longworth; Francis Cabot Lowell; James Morrison; John Rylands; Samuel Slater.

Warren Buffett

American investor and philanthropist

Buffett, an investor and philanthropist known worldwide as the Oracle of Omaha, parlayed investment savvy with his friends and family's capital into Berkshire Hathaway, Inc., which had the highest-priced stock in the history of the New York Stock Exchange. With an estimated net worth of $47 billion in 2010, Buffett became one of the richest people in the world during the late twentieth and early twenty-first centuries.

Born: August 30, 1930; Omaha, Nebraska
Also known as: Warren Edward Buffett; the Oracle of Omaha
Source of wealth: Investments
Bequeathal of wealth: Relatives; charity

Early Life

Warren Edward Buffett (BUHF-feht) was born on August 30, 1930, in Omaha, Nebraska, the son of Leila and Howard Buffett. Howard (1903-1964) was a Republican member of the House of Representatives, who earned his living trading stocks. He was elected to Congress in 1942, the first of four terms, representing eastern Nebraska as an ardent opponent of President Franklin D. Roosevelt. Howard earned some notoriety in Congress for returning a salary increase to the U.S. Treasury.

At age eleven, Warren Buffett purchased his first stock through his father's firm, three shares of Cities Service (now CITCO) for $37. He sold the stock for $40, and, upon watching the stock's price reach $200, later remarked that he had learned an early lesson in what became his lifelong investment philosophy: find good value, buy, and hold. (Stock in Buffett's company, Berkshire Hathaway Inc., reached $140,000 a share in 2007, and $90,700 in 2009, and in accordance with his philosophy has never been split.) Buffett filed his first income tax return at age thirteen, deducting a bicycle, which he used to deliver newspapers, as a business expense. He graduated from Woodrow Wilson High School in Washington, D.C., in 1947, earned a B.S. degree at the University of Nebraska in 1950, and received an M.S. in economics from Columbia University in 1951.

First Ventures

In 1956, after working briefly for his father and for other investment firms, Buffett opened Buffett Associates, Ltd., his first investment partnership, with $100 from his own pocket and $105,000 from limited partners, all of them family and friends. Between 1956 and 1969, the value of Buffett's portfolio exploded as he earned an average of 30 percent a year, between three and four times the market average, while working from an office in his home.

The "Berkshire Hathaway" name initially belonged to a declining textile firm in which Buffett's firm began buying stock in 1962. Seven years later, Buffett shed the firm's textile mills and made Berkshire Hathaway a holding company for his several partnerships. Early on, Buffett directed his investment acumen at insurance companies because their large cash reserves provided a ready source of investment capital. In January, 1979, Berkshire Hathaway's stock began trading at $775 a share, and by December it nearly doubled to $1,310. By that time, Buffett's net worth of $620 million put him among *Forbes* magazine's four hundred richest people for the first time.

Berkshire Hathaway invests heavily in name-brand companies, such as Coca-Cola, that are dominant in their industries, as well as in smaller businesses that are well managed and have niche markets that help them succeed. Once Berkshire Hathaway buys a company, existing management is usually allowed to run it. However, Buffett himself reserves the right to set the compensation of the chief executive officer.

MATURE WEALTH

Buffett's companies are known for their tight financial operations, and Moody's Investors Service often gives them AAA ratings, the highest possible credit ranking. Buffett often waits for stock prices to fall before investing in assets that he considers top-of-the-line. His success with this approach has spawned a cottage industry of Buffett watchers who emulate his methods. He is also known to withhold investments during periods of stock speculation and rising prices and to avoid buying stock in companies that lack discernable asset value. This approach prevented Berkshire Hathaway from losing money when the dot-com bubble burst in the early years of the twenty-first century.

Buffett taught his children the risks of uninformed gambling by buying them an antique slot machine and a stack of quarters, with the proviso that he would retain the machine's winnings. Soon, the quarters were back in his pocket. This is not to say that Buffett will not take risks. After two devastating Atlantic hurricane seasons in

Warren Buffett. (AP/Wide World Photos)

The Susan Thompson Buffett Foundation

The Susan Thompson Buffett Foundation, with an office in Omaha, Nebraska, manages Warren Buffett's charitable giving. It was named in honor of Warren's first wife after her death in 2004. The foundation initially gave away about $12 million annually from an asset base of about $500 million. Grants increased to about $150 million annually by 2009, as Buffett directed some of his $62 billion in assets to the foundation. Money from Susan's estate, reportedly about $2 billion, also was added to the foundation's asset base.

Buffett also is directing a large proportion of his fortune (about 85 percent, as of 2006) into charities operated by Bill Gates, cofounder of Microsoft Corporation, and his associates, principally the Bill and Melinda Gates Foundation. Buffett has said that the Gates Foundation would be better able to manage large amounts of money than his own foundation. Most of Buffett's wealth comes from his stock in Berkshire Hathaway, Inc., in which he holds about 40 percent of the shares.

Most of the Buffett foundation's awards are by internal nomination only, and they tend to focus on education, health care (notably family planning, including access to abortion), international relief efforts, arts, environment, and civil liberties. Individual grants have ranged from a few hundred dollars to several million. However, some money is given for educational purposes, entirely in Nebraska, for programs that are open to public application. The foundation, for example, provides scholarships covering tuition and fees up to $3,200 per semester, with an added textbook allowance of $400, for undergraduate students enrolled in public universities and colleges, including community colleges, in Nebraska. The foundation each year also recognizes teaching excellence in the Omaha public schools with fifteen awards of $10,000 each. Nominations for these awards are accepted from parents, former students, teachers other than the nominee, school administrators, and members of the general public.

2004 and 2005, he bought heavily into coastal insurance, figuring that an El Niño weather pattern would quell the storms in 2006. He was correct, and he earned millions of dollars for Berkshire Hathaway. Buffett has quipped that he spends a lot of time watching The Weather Channel.

On November 3, 2009, Buffett acquired Burlington Northern Santa Fe Corp., the United States' largest rail transporter of grain and coal, for a record $34 billion. "It's an all-in wager on the economic future of the United States," Buffett said in a statement about the deal. "I love these bets."

Buffett is well known in Omaha as a public citizen. He can occasionally be spotted on any given weekend ordering ice cream with Bill Gates, a cofounder of Microsoft Corporation, at an Omaha Dairy Queen, a chain that Berkshire Hathaway owns. He also may be spotted playing bridge with Gates or taking dozens of business and journalism students from the University of Nebraska at Omaha to lunch. On occasion, he visits Omaha schools to teach children to play the ukulele.

Berkshire Hathaway's annual meetings in early May are cultural events, drawing thousands of investors and filling the Qwest Center, Omaha's largest indoor arena. The annual meeting, timed to coincide with Buffett's often-humorous annual statement to stockholders, can draw fifteen thousand to twenty thousand people, providing a major boost to the local economy that observers have called "the Woodstock of Capitalism."

Buffett is famous not only for his investment acumen but also for his disregard of the ostentatious consumption made possible by great wealth. He is famously frugal, continuing to live in the same home in central Omaha that he bought in 1958 for $31,500. He also owned a larger house in Laguna Beach, California, that he sold in 2004. Having purchased a corporate jet in 1989 for almost $10 million, he named it "The Indefensible" because he earlier had criticized similar purchases by other companies.

Buffett is known as a genial and equitable employer, a longtime Democrat, and a sharp critic of unfair employment practices that take advantage of poorly paid people. He was an early supporter of Democratic presidential candidate Barack Obama. Buffett also has criticized low property tax rates in California, using a home he owned there until 2004 to compare tax rates on the California house with those on his home in Omaha. Buffett is also a self-described agnostic.

A persistent critic of executive overcompensation, Buffett draws an annual salary of $100,000 from Berkshire Hathaway. He believes that widespread debt will hurt the American economy and the country's currency in the long run, and he has been careful about investing in foreign companies.

Buffett is a critic of the market system and the monetary value that it places on certain kinds of work. He believes that the market system unfairly rewards some people, such as a heavyweight boxer who can knock out another fighter, or a Major League Baseball player with a high batting average, while a good teacher or nurse is underappreciated. The Susan Thompson Buffett Foundation sponsors an annual competition for the best teachers in Omaha schools, with monetary rewards.

Buffett and his wife Susan separated in 1977, although they remained married until Susan died in 2004. On his seventy-sixth birthday, Buffett married Astrid Menks, who had lived with him since he and Susan separated. Before Susan left Omaha for San Francisco to pursue a singing career, she had arranged for Astrid, a former housekeeper in the Buffett home, to meet Warren. The three were close friends; they attended social events together at times, and they sent cards to friends that were signed "Warren, Susie and Astrid."

Legacy

Buffett believes that people whose talents are amply rewarded by the capitalist marketplace owe a debt to society. His charitable donations are a return to society for the market value of what he considers to be his own peculiar talent. Several times, Buffett has offered to auction off a meal with him for good causes. Many aspiring investors will pay hundreds of thousands of dollars for an hour or two of Buffett's time; one investor paid $620,000 for a lunch date. During September, 2006, Buffett auctioned his well-used Lincoln Town Car on the eBay Web site for $73,200, and he donated this money to Girls, Inc., a national organization that works to empower girls.

Both Buffett and Bill Gates have become major philanthropists. In June, 2006, Buffett pledged to give about three-quarters of his assets ($30.7 billion) to charity, with 85 percent going to the Bill and Melinda Gates Foundation—the largest donation in the history of corporate philanthropy.

Buffett has established relatively small foundations headed by each of his three children, Susie, Howard, and Peter. He opposes large-scale transfer of big estates within families, and he has vigorously opposed elimination of inheritance taxes on grounds that concentrating wealth is socially dysfunctional.

—*Bruce E. Johansen*

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See also: Bernard Cornfeld; Bill Gates; Carl Icahn; Kirk Kerkorian; T. Boone Pickens; George Soros.

Angela Burdett-Coutts
British aristocrat and philanthropist

Burdett-Coutts may have been the wealthiest woman in nineteenth century Great Britain. She was a patron of writers, particularly Charles Dickens, with whom she pursued social reforms. Devoting her life to charitable work, she was admired throughout England.

Born: April 21, 1814; London, England
Died: December 30, 1906; London, England
Also known as: Angela Georgina Burdett-Coutts; Angela Georgina Burdett (birth name); First Baroness Burdett-Coutts
Source of wealth: Inheritance
Bequeathal of wealth: Spouse; charity

Early Life

Thomas Coutts, the grandfather of Angela Georgina Burdett-Coutts (buhr-DEHT-coots), was one of the most successful bankers in British history. While presiding over Thomas Coutts & Co. bank for sixty years, he accumulated a personal fortune of £900,000. His daughter Sophia married Sir Francis Burdett, and the couple had five children, of whom Angela was the youngest. Young Angela was raised in the finest aristocratic manner in an elegant London home and two historic country estates, Ramsbury Manor and Foremarke Hall. She traveled throughout Europe and learned several foreign languages.

In 1837, Angela inherited the bulk of her grandfather's fortune from his deceased wife, making her the richest heiress in England. She acquired half-ownership of Thomas Coutts & Co. bank, Thomas Coutts's houses, and his personal possessions, gold, and annuities. The newspapers estimated her inheritance at almost £2 million, with an annual income of £80,000. While this amount may have been exaggerated, there was no doubt that she had inherited an enormous amount of money; her wealth was equal to several billion dollars in 2010 U.S. currency. Although she was not the first woman to inherit a fortune in real property, no other English woman had ever controlled so much liquid wealth. According to the terms of her grandfather's will, she was required to add Coutts to her surname, which was hyphenated as Burdett-Coutts.

First Ventures

For a woman living in the Victorian era, Burdett-Coutts showed unusual independence, setting up her own mansion in London on the corner of Stratton and Piccadilly Streets. She loaned Queen Victoria a large sum of money to enable the queen to pay off her debts. Burdett-Coutts wore expensive clothes and exquisite diamonds that had been inherited from her family, including a tiara that had belonged to Marie-Antoinette. Her art collection contained paintings by Sir Joshua Reynolds and other English portraitists. She owned valuable china. Her library included first folios of the works of William Shakespeare and historic letters from Charles II and Georgiana Cavendish, duchess of Devonshire.

With her unencumbered fortune, Burdett-Coutts was sought after by suitors, but she was skeptical of their motives. She apparently was also ashamed of a skin condition. She was besieged by marriage proposals. Although she rejected each one, she was impressed by a young writer she met in 1838, Charles Dickens. She and Dickens would remain lifelong friends and correspondents. For eighteen years, she was harassed (or in modern terms, stalked) by a psychotic Irish barrister, Robert Dunn, who imagined he was courting her. In the 1840's, she became well acquainted with England's great hero, Arthur Wellesley, the duke of Wellington. Despite her interest, however, he never proposed marriage. Through the intervention of the great scientist Michael Faraday, she joined the Royal Institution of Great Britain 1847. She encouraged the mathematical genius Charles Babbage to publish his children's stories.

Mature Wealth

Burdett-Coutts devoted her wealth to philanthropic work, assisting hundreds of charities. She involved the young Dickens in her charitable works, and he roamed the slums of London looking for impoverished residents worthy of Burdett-Coutts's charity. He brought to her attention the wretched condition of the Field Lane Ragged School, which she then supported for many years. In 1847, Dickens encouraged her to take action to alleviate prostitution in London. With Dickens's guidance, she subsidized Urantia Cottage for needy women who might otherwise resort to prostitution. Urantia Cottage housed thirty women. She also followed Dickens's advice in building model apartments in Columbia Square in the 1860's. In 1864, she built Columbia Square Food Market to improve the food supply of the apartments' residents. She gave generously to the Church of England in her own country and throughout the world. She endowed bishoprics in Australia, Canada, and St. Helena. In Westminster, one of London's worst slums, she built a religious complex with a school, a vicarage, and a church. She also rebuilt St. Stephen's Technical Institute in Westminster.

Burdett-Coutts was eager to fund charities in the British colonies, especially the African colonies in Nigeria and what is now South Africa. In 1847, she became friends with the remarkable James Brooke, who had improbably become the raja of Sarawak, a kingdom near Borneo. She wanted to make Sarawak a protectorate of Great Britain; failing in that, she gave the raja large sums of money to help him govern his unruly subjects.

Burdett-Coutts tried to keep her charity work a secret but was unable to do so. In recognition of her philanthropy, she was made a baroness by Queen Victoria in 1871. Burdett-Coutts was the first woman to be raised to the peerage because of her own efforts, rather than those of a spouse.

On February 12, 1881, having rejected suitors for forty years, she married her secretary, William Lehman Ashmead-Bartlett, to the surprise of English society. Ashmead-Bartlett, who was twenty-nine years old (Burdett-Coutts was sixty-seven), took the surname Burdett-Coutts and was known as W. L. Burdett-Coutts.

Burdett-Coutts died on December 30, 1906, at the age of ninety-two. She was given the honor of a burial in Westminster Abbey. During her lifetime, it is estimated that she donated more than £3 million to charity.

Legacy

For many reasons, Angela Burdett-Coutts was a remarkable woman. She was one of the wealthiest women in nineteenth century England. She pursued her own ideas of how she should use her wealth, rejecting conventional marriage. She formed friendships and close associations with three of England's most remarkable personalities, the duke of Wellington, the raja of Sarawak, and Charles Dickens. She subsidized writers like Dickens, but, more important, she recognized and supported Dickens's de-

Literary Patronage and Wealth

Writers have been assisted by wealthy patrons since antiquity. The most famous classical patron was Gaius Maecenas, a wealthy Roman of the first century B.C.E., who supported Vergil and Horace, as well as other writers. Maecenas's support was of such significance that his name has become synonymous with patronage of literature and art. Maecenas provided more than financial assistance to writers. He also offered valuable advice. Both Vergil and Horace stated that Maecenas's critiques of their writing helped them with their work. Maecenas did not support the arts out of personal vanity, as did many later patrons, but as a civic duty and a means to improve Roman culture.

The Elizabethan writers Christopher Marlowe, Ben Jonson, and William Shakespeare all appear to have benefited from the patronage of the wealthy. Shakespeare dedicated his sonnets to the mysterious W. H., apparently an aristocratic patron. Sir Thomas Walsingham provided patronage to Elizabethan writers Marlowe, George Chapman, Thomas Nashe, and Thomas Watson. Patronage of writers was also common in eighteenth century England. However, unlike other writers of the Augustan Age, the satirist, novelist, and poet Jonathan Swift publicly denounced patronage and refused to accept assistance. In China, the wealthy salt merchants of Yangzhou sparked a literary renaissance in the eighteenth century by vying to be patrons. The Ma brothers, Ma Yueguan and Ma Yuelu, subsidized numerous poets and scholars. Another wealthy salt merchant, An Qi, gave the scholar Zhu Yizun a gift of 10,000 taels in order to write classical works of philosophy. In nineteenth century England, Angela Burdett-Coutts provided some financial support to her friend, writer Charles Dickens, a relationship that also involved their common work to alleviate poverty in London.

One of the most significant literary patrons was the nineteenth century American capitalist Henry Huttleston Rogers. Rogers helped John D. Rockefeller build the Standard Oil Company, from which Rogers made a great fortune, and he also amassed wealth from other oil, mining, banking, manufacturing, and railroad companies. At the end of the century, Rogers's fortune was estimated at more than $100 million, making him one of the twenty-five wealthiest Americans in history. Rogers was known to be ruthless in business, but he could be generous to authors, as exemplified by his relationship with writer Mark Twain. After some failed business ventures in the 1890's, Twain faced bankruptcy. Rogers quietly provided assistance to Twain, who credited Rogers with saving him from ruin. Rogers also paid for Helen Keller's education at Radcliffe College and provided her with a generous subsidy upon graduation. Keller subsequently dedicated her book, *The World I Live In* (1908), to Rogers. Rogers also furnished subsidies for the work of Booker T. Washington. Rogers did not want his donations to be publicized and his gifts have been described as "secret philanthropy."

sire to help the poor of London, an ambition that matched her own. More than anything else, she was a true philanthropist, devoting the majority of her life and fortune to a wide array of charitable works.

—*Howard Bromberg*

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See also: Nikolaus Esterházy; Phoebe Apperson Hearst; Gaius Maecenas; Laura Spelman Rockefeller; Jane Stanford; Eleanor Elkins Widener.

Adolphus Busch

American brewer and industrialist

Busch built a beer-brewing empire that eventually became Anheuser-Busch Companies and later was acquired by Belgian brewer InBev.

Born: July 10, 1839; near Mainz, Hesse (now in Germany)
Died: October 10, 1913; near Langenschwalbach, Germany
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Children

Early Life

Adolphus Busch (ay-DOHL-fus buhsh) was born near Mainz, Hesse, on July 10, 1839, the youngest of twenty-one children. As a boy, he began working with his father, a wine merchant and brewing supplies dealer. He was educated in Mainz and Darmstadt and attended high school in Brussels. When he was seventeen, he went to work as a shipping clerk in a mercantile house in Cologne. Here he learned valuable business skills that would allow him to amass his great fortune.

First Ventures

When he became eighteen, Busch left Germany for the United States and set up his own supply store with his brother Ulrich. Two other Busch brothers had already left for America and had settled in St. Louis, Missouri, which was quickly becoming a virtual German colony. He married Lilly Anheuser, and his brother Ulrich married her sister Anna, in a double ceremony in 1861.

Busch went in to the brewing business in 1865 with his wife's father, Eberhard Anheuser, who already owned the struggling Bavarian Brewery Company. Together they created Budweiser, a lighter and sweeter variety of beer than others at the time. Busch worked hard to have his beer sold in taverns, even paying some owners

Adolphus Busch. (The Granger Collection, New York)

to keep it on tap, although it tasted horrible. When the brewers finally created a good-tasting batch, the beer became a sought-after beverage. As Budweiser became popular, Busch gradually reduced the number of beers manufactured by the company in order to focus on the most profitable brands.

When Anheuser died in 1879, Busch took over as president of the company. Busch increased production and turned a small brewing company into a city-sized corporation housed in St. Louis. In the laboratories at Anheuser-Busch, scientists developed a new pasteurization technique that allowed beer to be shipped without refrigeration, which meant that beer could be transported from coast to coast without turning sour. Busch was also famous for his ingenious marketing and sales techniques. He focused on building a brand, and because of this, Budweiser beer remains one of the most recognizable products in the world.

MATURE WEALTH

Busch was able to amass his wealth by keeping ownership of the company within the family When he first went to work for Anheuser, there were 480 shares of stock in the company—238 belonging to him, 2 shares to the brewmaster, and the remaining 240 shares split between Anheuser and his daughter Lilly. After Anheuser's death in 1879, Busch began buying up shares of the company from Anheuser's relatives, increasing his total shares from 238 to 267. He also created a vertically integrated corporation by owning companies that supplied the materials necessary to make his beer. He owned glass bottle plants, ice-making businesses, refrigerated railroad cars, and eventually the railroads themselves. Production increased by more than 200 percent by 1880, with a record production of more than 130,000 barrels of beer. He added workers and buildings at the brewery in St. Louis and employed guides to give tours of the facility to visitors. In the fifteen years since Busch went into business with Anheuser, he had taken a small local brewery and turned it into a national empire that was generating more than $2 million a year.

Busch's heirs continued his marketing legacy, with the most notable and longest-running campaign being the world-famous Budweiser Clydesdales, an iconic eight-horse hitch (team) that travels to more than one thousand events annually. The company also mass-markets its products through major sports sponsorships and partnerships, and since 1980 it has allied with Major League Baseball, the National Hockey League (NHL), National Basketball Association (NBA), twenty-eight National Football League (NFL) teams, Major League Lacrosse, the Professional Golfers' Association of America (PGA), the Ladies Professional Golf Association (LPGA), the U.S. Olympic team, the Olympic Games, and the Fédération Internationale de Football Association (FIFA) World Cup.

LEGACY

While he lived lavishly and never thought twice about spending money to close business deals and expand his enterprises, Busch still managed to amass more than $50 million by his death in 1913, at the age of seventy-four. His estate was the largest ever probated in the state of Missouri. Over the years, he had given generously to education and other charities, but his prime focus was creating an empire out of his small brewing city in St. Louis. In July, 2008, Anheuser-Busch made the decision to sell to Belgian brewer InBev for $75 a share. The acquisition of Anheuser-Busch by InBev, which had more than 120,000 employees in more than thirty countries around the world, created the world's largest brewing company. InBev agreed to reserve a spot on the board for the chief executive officer of Anheuser-Busch, August A. Busch IV, and kept the North American headquarters in St. Louis in order to retain the history of the iconic American brand. In 2009, the company was led by Busch IV, and the Busch family had a total fortune of more than $1.3 billion.

—*R. Matthew Beverlin and Sara Schulte*

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See also: Emilio Bacardi; Edgar Bronfman, Sr.; Samuel Bronfman; Ernest Gallo; Edward Cecil Guinness.

MANUEL CALVO

Spanish planter, merchant, and banker

Born in Spain, Calvo made a fortune in the shipping, sugar, and banking industries of nineteenth century Cuba, which he used to oppose Cuban independence and to support numerous charities.

Born: December 25, 1816; Portugalete, Spain
Died: 1904; Cadiz, Spain
Also known as: Manuel Calvo y Aguirre; Don Manuel Calvo
Sources of wealth: Agricultural products; shipping; banking; slave trade
Bequeathal of wealth: Charity

EARLY LIFE

Manuel Calvo y Aguirre (MAHN-yew-ehl CAHL-vo ee ah-GEER-ray) was born in Portugalete in the Basque region of Spain in 1816. His father Mathias was captain of a ship in the Cantabrian coast guard. Manuel studied seamanship and sailing with his father from the age of twelve to eighteen.

FIRST VENTURES

At eighteen, Calvo moved to Spain's prosperous colony of Cuba to seek his fortune. He worked as a clerk in Cuba's flourishing shipping industry. By nursing his savings through eight years of hard work, he was able to become a shipowner. With his profits he established a company, which by 1850 monopolized shipping from the Vuelta Abajo port district in Cuba to the Isle of Pines (now the Isla de la Juventud). His ships also transported slaves from Africa.

MATURE WEALTH

At the height of his success in shipping, Calvo had the sudden idea to create a sugar conglomerate. At the time, sugar was a leading industry in Cuba, but its production tended to be piecemeal. Calvo established a sugar plantation and mill of almost 120 square kilometers, which he named after his hometown. Calvo's Portugalete mills processed sugar through its entire production cycle, from extracting the sugar from sugarcane to packaging and exporting the finished product. He also processed alcohol from sugarcane. Calvo lived in an opulent mansion on his plantation. As a leading planter, Calvo was necessarily involved in the question of Cuban slavery, which did not end until 1886. In 1870, Calvo communicated his support for emancipating newborn slaves to Julían de Zulueta, Cuba's largest and most notorious slaveholder.

Calvo spent summers in his hometown of Portugalete, and in 1872 he built an imposing neoclassical mansion on the new waterside promenade. He formed a business relationship with another wealthy Basque in Cuba, Antonio López y López, vice president of the Compañía Transatlántica and future marquis of Comillas. Along with other wealthy Catalonians, they started the successful Colonial Hispanic Bank in 1876. Calvo contributed one million pesetas for his shares of the bank enterprise.

With his wealth, Calvo was able to influence politics. He sent money in 1870 to help place Amadeo, the duke of Aosta, on the Spanish throne. Calvo was perhaps the leading aristocratic opponent of Cuban independence, claiming it was merely a pretense for United States' domination. He subsidized the expenses of the Spanish army in quelling Cuban revolts. The Colonial Hispanic Bank also extended a huge loan to the Spanish government in 1876 to pay for the exile of insurrectionist leaders. Apparently, Cuban nationalists burned down Calvo's sugar mills in retaliation. A widower, Calvo decided to emancipate all of his slaves and return permanently to his Spanish birthplace.

In Spain, Calvo provided for charitable works and supported educational institutions in Portugalete, contributing 30,000 pesetas to repair the tower of the Basilica of Holy Mary, destroyed in the civil war of 1874. He also sponsored charitable concerts to benefit soldiers wounded in the imperial wars in Cuba and the Philippines.

Calvo died in 1904. As he had no children, his will left his mansions in Cuba and Portugalete to local governments on the condition that both homes be renovated as hotels and cafeterias, with the revenue from these enterprises used to assist the indigent. His life is commemorated by a beautiful bronze pantheon in the Portugalete cemetery created by the well-known sculptor Josep Llimona i Bruguera (1864-1934). The steamship Manuel Calvo, in operation until 1959, also commemorated Calvo. The Manuel Calvo Foundation in Portugalete exists into the twenty-first century, continuing to promote civic projects and to assist disadvantaged members of society.

LEGACY

Basques from Spain formed a major element of Cuba's emerging capitalist class in the nineteenth century.

Calvo, by his wealth and political involvement, was a leader of this group. His fortune was made first in shipping and then multiplied in sugar and bank holdings. He funded military efforts to suppress Cuban independence, which were often brutal. Returning to his native Spain, however, he became a model of charity, funding projects throughout his hometown of Portugalete on behalf of the poor. The Manuel Calvo Foundation continued it philanthropic efforts in Portugalete in the twenty-first century.

—*Howard Bromberg*

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See also: Miguel de Aldama; Emilio Bacardi; Antonio López y López; José Xifré.

Sebastião Camargo

Brazilian industrialist and conglomerate owner

Camargo led the second generation of Brazilian business leaders who built mammoth conglomerates with international profiles. The Camargo Corrêa Group benefited from consistent and massive government funding, international capital, and Camargo's business acumen.

Born: September 25, 1909; Jaú, São Paulo, Brazil
Died: August 26, 1994; São Paulo, São Paulo, Brazil
Also known as: Sebastião Ferraz de Camargo Penteado
Sources of wealth: Construction business; manufacturing; steel; metals refining
Bequeathal of wealth: Children; charity

Early Life

Sebastião Ferraz de Camargo Penteado, better known as Sebastião Camargo (seh-bash-tee-OWHN kah-MAR-goh), grew up on a plantation in the interior of the wealthy state of São Paulo, Brazil. His family was large and its fortune declined after his father died when Camargo was an adolescent. Supporting himself as a construction worker, Camargo acquired a cart and donkey and hauled debris and earth from construction sites. He profited from burgeoning road construction in the region.

First Ventures

Learning the techniques for construction site preparation, Camargo became a small-scale contractor. In partnership with a lawyer, Sylvio Brand Corrêa, he acquired sufficient capital to set up a modest company, the Camargo Corrêa Engineering and Building Co. Acquiring a tractor, he achieved a strategic advantage over his competitors. In the period after World War II, foreign investment in Brazil increased, stimulating a massive construction boom for new factories, housing, hydroelectric plants, and roads. A consuming magnet for this construction was the building of Brasília (1956-1960), Brazil's new capital, during the presidency of Juscelino Kubitschek. To win a portion of the contracts for this city's construction, Camargo resolved to impress authorities by assembling a fleet of tractors from all of his construction sites. He paraded them at the proposed site for Brasília, demonstrating that his company had sufficient resources for the massive urban undertaking.

Mature Wealth

The profits and publicity that Camargo Corrêio accrued pushed the company into the forefront of major Brazilian building operators. The firm now entered the period of mammoth construction projects under government auspices, with which it became synonymous. Company projects included the building of a hydroelectric dam on the Paraná River in the 1960's, which required construction of a satellite city for workers. The following decade, the company built an eight-mile-long bridge that spanned Guanabara Bay in Rio de Janeiro. The firm laid the multilane interstate highway between Rio de Janeiro and São Paulo through daunting mountainous terrain, and it forged through tropical rain forest to construct the Trans-Amazon Highway. Camargo's company also laid the gas line between Brazil and Bolivia and raised the colossal $15 billion Itaipú dam between Brazil and Paraguay, distributing electricity to the two countries.

Astute in pursuing horizontal and vertical integration of his businesses, Camargo cultivated relations with political leaders and competitors, minimizing risk. The businesses included steelmaking, aluminum, agriculture, and textile operations. In the 1990's, Camargo's personal wealth, valued at more than $1 billion, put him on *Forbes* magazine's list of billionaires. He and his wife had three daughters, and he included their husbands in the management of his companies. Because of his origins, Camargo retained certain rural habits, such as often appearing with a rustic pipe in his mouth. One of his nicknames was "China" because he had certain Asian facial features and an inscrutable business manner. He also had a passion for hunting, leading expeditions in Africa and Alaska.

Legacy

Camargo quite literally constructed modern Brazil. He might be described as the "bricklayer of Brazil," except his companies used reinforced concrete. After the company's work building Brasília, Camargo Corrêa construction sites became omnipresent in Brazil, neighboring countries, and other parts of the world. Thereby, Camargo's enterprises both contributed to and benefited from the rise of Brazil as a regional economic power. However, his dominance resulted more from government patronage than from market competition, and his extreme wealth reflected the chronic income chasm between rich and poor people in Brazil.

—Edward A. Riedinger

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See also: Jorge Wolney Atalla; Francisco Matarazzo; José de Moraes.

Andrew Carnegie

American industrialist, investor, and philanthropist

Carnegie rose from obscurity as a penniless immigrant to become an extraordinarily wealthy industrialist. He created a new form of social philanthropy that sought to improve people's lives through the establishment of museums, libraries, and concert halls.

Born: November 25, 1835; Dunfermline, Fife, Scotland
Died: August 11, 1919; Lenox, Massachusetts
Sources of wealth: Steel; investments
Bequeathal of wealth: Charity; educational institution

Early Life

Andrew Carnegie (AN-drew kahr-NAY-gee) was born in Dunfermline, Scotland, the son of William Carnegie and Margaret Morrison. When hard times fell upon Scotland in the mid-1800's, William, a weaver, decided that America offered a better life. Borrowing money, the family immigrated to Allegheny, Pennsylvania, in 1848, where, at the age of thirteen, Andrew started work as a bobbin boy in a cotton mill. The work was hard and not well paid, so in 1850, when Carnegie's uncle suggested he apply for work at the Ohio Telegraph Company, the young man found a position as a telegraph messenger boy. This job provided Carnegie with free admission to plays and productions at a local theater, sparking his lifelong love of William Shakespeare. A local businessman, Colonel James Anderson, allowed Carnegie to borrow books freely from Anderson's four-hundred-volume library, a practice that convinced Carnegie of the value of lending libraries.

Carnegie continued to seek better employment, and his hard work and careful observation of the Ohio Telegraph Company's equipment enabled him to become a telegraph operator for the Pennsylvania Railroad. His boss at the railroad, Thomas A. Scott, took an interest in Carnegie, and the young man's subsequent rise in the company was swift, culminating in a position as superintendent of the railroad's division in Pittsburgh, Pennsylvania.

First Ventures

However, having a better-paying job did not satisfy Carnegie's desire for success. In 1855, guided by advice from Scott, Carnegie invested $500 in Adams Express. Carnegie later invested in the Pullman sleeping car division of the Pennsylvania Railroad Company. George Mortimer Pullman's invention of the sleeping car allowed businessmen to travel long distances in comfort, and one of Carnegie's earliest successes was his partnership with Pullman. Since Carnegie worked for the Pennsylvania Railroad's western division, he was positioned to benefit financially from improvements to Pullman's service. With America growing exponentially, railroad-related industries seemed to be a wise investment. The railroad became an even more vital service during the Civil War, when trains transported Union army munitions and troops.

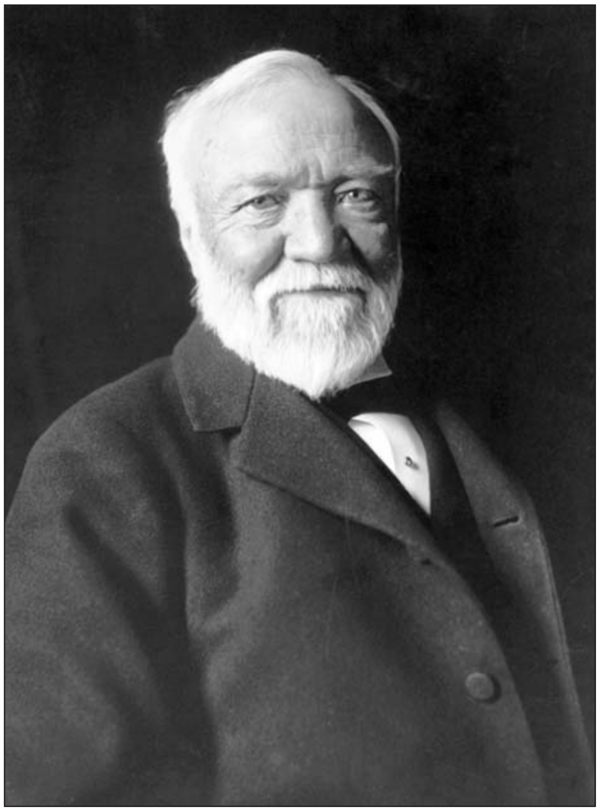
Accumulating capital, Carnegie also invested money in ironworks and bridge-building companies, and his sound business sense enabled him to make money from these and other investments. For example, when he invested $40,000 in Storey Farm in Venango County, Pennsylvania, he garnered a profit of more than 100 percent; the oil wells and cash dividends from the property generated more than $1 million.

Mature Wealth

Carnegie left the railroad company in 1865 to concentrate on other business enterprises.

Because Pittsburgh was a mercantile and industrial center of the North during the Civil War, Carnegie sought to create a highly integrated, centralized plant for the manufacture of steel goods there. In 1875, he opened his first steel plant, the Edgar Thomson Steel Works, in Braddock, Pennsylvania. He carefully planned the 1883 purchase of the rival Homestead Steel Works, a company that included iron and coal fields in its list of assets. He maneuvered his company, renamed Carnegie Steel in 1892, into a position to become the largest producer not only of steel rails but also of pig iron and coke.

Carnegie created the Union Ironworks and the Keystone Bridge Works in Pittsburgh with the stated intent of replacing the city's wooden bridges with steel replacements. He helped build and owned stock in the Eads Bridge, a landmark steel structure crossing the Mississippi River in St. Louis, Missouri. The Eads project exemplified the new applications for which steel could be used. Carnegie solidified his growing fortune by employing the novel concept of buying into different industries related to the same product. He was interested not just in steel but also in the subsidiary processes of coke and pig iron manufacturing, coal mining, and oil refining. This vertical integration of services proved to be lucrative for Carnegie and his colleagues, even though working conditions for Carnegie's employees continued to be harsh and punitive. Carnegie's partner, Henry Clay Frick, had to quell a riot after a strike by workers at the Homestead steel mill escalated into a full-scale melee, resulting in the deaths not only of rioters but also of security workers.



Andrew Carnegie. (Library of Congress)

By 1901, Carnegie was ready to change the focus of his life from the accumulation of wealth to its charitable distribution. J. P. Morgan, a prominent banker, assisted Carnegie in the preparations for what would become one of the largest buyouts in American history. Carnegie had spent years acquiring companies whose products were integral parts of the steel industry, so Morgan bought out not only Carnegie's businesses but also several other steel-related companies. By March 2, 1901, Morgan had conceptualized the founding of the United States Steel Corporation (better known as U.S. Steel), which was capitalized at $1.4 billion. Carnegie personally gained $225,639,000, which was paid to him in fifty-year gold bonds.

Carnegie had been involved in charitable projects for some time prior to the buyout. Two of the pleasures of his early life, books and theater, were areas in which he felt he could make a difference in the lives of working people. To this end, he had established lending libraries, funding more than three thousand of them by the end of his life.

Besides libraries, Carnegie believed that the proper funding of educational institutions, such as colleges, trade schools, and universities, was essential for the improvement of the public. In 1899, he donated £50,000 to establish the University of Birmingham in England. In 1901, he gave $2 million to the city of Pittsburgh to construct the Carnegie Institute of Technology (now part of Carnegie Mellon University) and donated $10 million through the Carnegie Trust for the Universities of Scotland to build institutes of higher learning in his native country.

Perhaps to counter a lifetime of resentment he faced from those who labored in his mills, Carnegie arranged for some of his fortune to be placed in pension funds, which former employees of the Homestead Steel Works could receive after retirement. Always a stalwart defender of the importance of education, Carnegie developed a pension fund for American college professors as an additional incentive for those who desired not only to pursue higher education but also to educate others. This retirement fund, later known as TIAA-CREF, continued to provide sizable benefits for its investors into the twenty-first century. Although Carnegie stipulated that religious schools had to become secular in order to receive his funding, his love of great music, both sacred and secular, led him to finance the building of seven thousand church organs. He participated in other artistic endeavors, including the building of New York City's Carnegie Hall and the Carnegie Museum of Art in Oakland, a suburb of Pittsburgh.

When Carnegie died on August 11, 1919, his solemn promise to disburse the bulk of his estate benefited many charities and made the once-despised tycoon a figure of philanthropy and conscience.

THE CARNEGIE FOUNDATION

An individual's decision to pursue a career in public education was one of the noblest pursuits Andrew Carnegie could envision. However, he recognized that teaching was a profession that lacked the respect it deserved and, for this reason, tended to pay poorly. Consequently, be believed that few people other than idealists and incompetents chose to teach in public schools, preferring the stable pay provided by private schools and universities, In 1905, Carnegie decided to rectify this problem by creating a foundation with the specific goal of improving, enriching, and dignifying the teaching profession. He lobbied for an act of Congress to enhance his foundation's influence, a goal that eventually was met.

The foundation continues to operate in the twenty-first century. It employs teachers, administrators, and researchers who devise the best means of applying universal educational standards in curricula of students and prospective teachers. Throughout its history, the foundation has made several notable achievements in the field of education. Perhaps its most important accomplishment was the establishment of Pell grants, which assist low- and middle-income students in financing their higher educations. The foundation created the Graduate Record Exam (GRE), a test that seeks to provide a standardized benchmark for the acceptance of college students into graduate programs of study. In 1910, the foundation published *The Flexner Report*, which advocated improved standards for American medical schools.

In the beginning of the twenty-first century, the foundation explored new uses for existing technology and the application of new technology in the classroom. By working with other organizations, like the Bill and Melinda Gates Foundation, a "wired" classroom using digital technology has ceased to be a dream for public schools and is being studied for broad implementation. The foundation has also increased its focus on improving basic skills classes for adult learners by providing additional funding for community colleges.

LEGACY

Carnegie was one of the greatest, and richest, captains of industry in nineteenth century America. He played a key role in developing American steel manufacturing, creating what would become a major national industry for many years to come. His business acumen and shrewd investments enabled him to rise from a poor immigrant to a powerful tycoon, typifying the success of other businessmen during America's Gilded Age.

He also set a new standard for charitable donations and public service. A desire to improve people's lives was a keynote of much of Carnegie's philanthropy. He built Carnegie Hall, for example, in order to stage productions that would lift the spirits of New Yorkers, just as Carnegie himself was heartened by the many plays he watched while working for the Ohio Telegraph Company. His early love of reading similarly led him to finance a network of public libraries. He performed an equally needed public service in 1884 by donating $50,000 to Bellevue Medical College in order to establish a new histological laboratory for the study of disease.

Carnegie had a particularly broad view of improving social welfare and was not shy about preaching his ideology to others. When he published his article "The Gospel of Wealth" in the June, 1889, issue of *North American Review*, he intended the article to be a guide for living a full life. He argued that too many wealthy individuals in history had sought fortune only to better their own lives. Instead, he declared, socially responsible individuals should spend only the first half of their lives in the pursuit of riches; the second half should be spent donating their wealth to worthy charities and institutions.

—*Julia M. Meyers*

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Nasaw, David. *Andrew Carnegie*. New York: Penguin, 2006. A very complete biography of Carnegie.

Standiford, Les. *Meet You in Hell: Andrew Carnegie, Henry Clay Frick, and the Bitter Partnership That Transformed America*. New York: Crown, 2005. The title of this work is based on a true occurrence. At the end of his life, Carnegie asked to meet once again with his former friend, but now bitter enemy, Henry Clay Frick. Frick is said to have curtly informed Carnegie that he would meet him in Hell. This exchange exemplifies the best and the worst of these men and the Gilded Age in which they lived. Both men started out poor and rose to dominate the world of big industry, particularly the steel industry in Western Pennsylvania.

See also: Peter Cooper; Henry Clay Frick; Bill Gates; Alfred Krupp; Bertha Krupp; Andrew Mellon; J. P. Morgan; Henry Phipps; George Mortimer Pullman; Charles M. Schwab; Joséphine de Wendel.

Robert Carter

American planter, merchant, and landowner

Carter was one of the wealthiest men in colonial America, amassing land throughout Virginia that allowed him to generate a fortune from the sale of tobacco and other products.

Born: c. 1663; Lancaster County, Virginia
Died: August 4, 1732; Lancaster County, Virginia
Also known as: King Carter
Sources of wealth: Real estate; trade; agricultural products; slaveholding
Bequeathal of wealth: Children; charity

Early Life

The younger son of well-to-do Virginia planter John Carter, Robert Carter spent his early years at Corotoman, the family farm on Virginia's Northern Neck. The household included his parents (later a stepmother), elder brother John Carter II, and later John's wife, as well as dozens of servants and slaves. John Carter died in 1669, leaving Corotoman to Robert's elder brother, who became Robert's guardian. In 1672, Robert was sent to England for an education in the classics but also to learn the rudiments of the tobacco trade. Six years later, he returned to Virginia to take up life as a farmer and merchant.

First Ventures

In his will, Carter's father left him one thousand acres, land sufficient to allow him to live independently. After returning from England, however, he continued to live at Corotoman, and when he married Judith Armistead in 1688, he brought her to live there. Carter learned from his brother the intricacies of managing vast land holdings. In 1690, John Carter II died, and Robert inherited the six-thousand-acre estate.

Mature Wealth

Carter realized that tobacco depleted the land's nutrients rapidly and that the only way to provide financial security for himself and his family was to increase the size of his land holdings. For the next thirty years, he systematically sought opportunities to purchase other plantations and undeveloped land, both of which he used to produce goods that would generate significant profits when sold in the colonies or abroad. A shrewd businessman, he spent much of his time acquiring land on the Northern Neck and throughout Virginia, hiring overseers to run what quickly became a small empire of tobacco plantations. He was not always a favorite among the gentry, however; he may have acquired the sobriquet King Carter because he often behaved high-handedly in his dealings with others. He was frequently in court, where he brought suit against associates, friends, and even family members in an effort to preserve and expand his holdings for himself and his heirs. Carter sired eleven children—four with his first wife, who died in 1699, and seven more with second wife, Elizabeth Landon.

In colonial Virginia, wealth and land came with political responsibility, and Carter held office for most of his adult life. He served in the House of Burgesses, the colonists' elected assembly, and for a time was Speaker of the House. The king appointed him to the Governor's Council, on which he served a term as its president, and he was acting governor of colonial Virginia for a year. Carter was able to use these appointments to supplement his income from farming; at the time, government officials profited from their appointments to positions that allowed them to receive commissions or stipends for their work. Carter made the most of several appointments, especially as an agent for lands granted by the king to Thomas Fairfax, sixth Lord Fairfax of Cameron, in the region of Virginia where Carter lived. In this capacity, Carter was able to obtain large tracts of land in his sons' names, thereby increasing the family's holdings.

Carter died at Corotomon on August 4, 1732, and was buried in nearby Christ Church.

Legacy

When he died, Carter was considered the richest man in Virginia. His estate included £10,000 and several plantations with more than 300,000 acres and 1,000 slaves. Always concerned for his children's welfare, he divided his property among them, ensuring that they had sufficient land and resources to keep them among the colony's most affluent and influential families. He made small bequests to a number of charities, but his most significant endowment was to Christ Church, the parish to which his family belonged. With his money, religious leaders were able to erect one of the finest churches in the colony.

—*Laurence W. Mazzeno*

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See also: Benjamin Franklin; John Hancock; William Penn; George Washington.

Yacoub Cattaui

Egyptian banker, industrialist, and landowner

Cattaui prospered under the Egyptian governors in the nineteenth century, each of whom relied on Jewish families to create revenue for the country. Under the governors' favorable auspices, Cattaui was able to own banks and to set up and run other commercial interests.

Born: 1800; Cairo, Egypt
Died: 1883; Cairo, Egypt
Sources of wealth: Banking; trade; real estate
Bequeathal of wealth: Children; medical institution; educational institution

Early Life

Yacoub Cattaui (YAH-coob kat-TOW-ee) was the eldest son of Eliahou Khadar Cattaui, who settled in Cairo, Egypt, as part of an influx of immigrants who arrived in the country during the late eighteenth and early nineteenth centuries. The governor of Egypt, Muḥammad ʿAlī Pasha, invited foreigners to settle there so he could use their skills and knowledge in his attempt to modernize the country. As part of this modernization, Yacoub obtained many concessions from the government, including financial privileges and the right to operate flour mills in the vicinity of Cairo.

First Ventures

After the death of Muhammed Ali in 1849, the new governor, ʿAbbās I, appointed Cattaui director of the treasury, as well as lessee of certain government monopolies, such as the fisheries and customs. ʿAbbās's successor Saʿid used Cattaui as his private banker and appointed him *sarraf bashi* (chief banker), which made Cattaui responsible for all the other bankers employed by the government. Eventually, Cattaui became president of the Jewish community of Cairo.

Cattaui married Mazel Negrin and the couple had three children: Moise, Aslan, and Sembra. Cattaui later married Esther Morgana, and with her had five more children: Gamilla, Youssef, Renee, Ellie, and Elena. The Cattaui residence on Cherifein Street in Cairo was situated in the middle of a large garden overlooking what is now Talaat Harb Square. The street, Kasr al-Nil, was often called Rue Cattaui.

Mature Wealth

An important factor in the growth of the Cattaui family's wealth was the acceptance with which Jews were welcomed in Cairo during the eighteenth and nineteenth centuries. Visitors to Cairo in 1840 remarked that a population more respectful of all religious beliefs would be difficult to find. Eliahu Alghazi, Cattaui's brother-in-law, was instrumental in establishing schools for Jewish children in Cairo, and these institutions were the envy of some European visitors.

This welcoming attitude toward Jews, as well as the implementation of new types of banking, made it possible for the Cattaui family to reach high positions in the Egyptian government. Jews worked to set up various banks, including the National Bank of Egypt, the Egyptian Credit Foncier, and Banque Misr. These banks assisted in international trade, land development, the construction of industrial plants and infrastructure, and other forms of national expansion. An incident in 1880 points to the wealth of Cattaui and of his family. In that year, Crown Prince Rudolf of Austria visited Cairo, and Cattaui used the occasion to endow the construction of a hospital in Rudolf's name. By the time of his death in 1883, Cattaui, his in-laws, his sons Moise and Aslan, and their sons had established themselves as one of the wealthiest families in Cairo.

Legacy

After Cattaui's death, his sons Aslan and Moise carried on the family banking and sugar refining industries in Cairo and in Alexandria. In 1905, the *Egyptian Gazette* reported that Moise's extensive real estate holdings included six thousand square meters of Nile River frontage in the fashionable Cairo district of Kasr al Dubara. Probably the most distinguished member of the family was Cattaui's oldest grandson and Aslan's son, Joseph Aslan Cattaui (1861-1942). Joseph obtained his degree in engineering in France in 1882, and he then spent time in Moravia, where he became familiar with all phases of the sugar refining industry. He returned to Egypt and became a technical and financial adviser, assisting in the construction of the Heluan Railway and the water supply system for the town of Tantah and in the reconstruction and expansion of a major Egyptian sugar refinery and the Wadi Kom-Ombo Company, a sugar firm.

—*Winifred Whelan*

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See also: David Sassoon.

Deborah Cavendish

British aristocrat and businesswoman

Cavendish worked with her husband and then her grandson to restore the family fortunes of the dukes of Devonshire, particularly putting Chatsworth House, the main family residence and one of Britain's stateliest homes, on a sound financial footing.

Born: March 31, 1920; Asthall Manor, Oxfordshire, England
Also known as: Deborah Vivien Freeman-Mitford Cavendish; Deborah Vivien Freeman-Mitford (birth name); Dowager Duchess of Devonshire
Sources of wealth: Inheritance; real estate; tourism
Bequeathal of wealth: Unknown

Early Life

Deborah Cavendish was born Deborah Vivien Freeman-Mitford, the youngest of six talented and extraordinary girls, who, with one brother, constituted the family of David Freeman-Mitford II, Baron Redesdale, and his wife Sydney. The girls were allowed considerable freedom in growing up in their country estate, encouraged to be beautiful and to marry young and well. Two of them, Nancy and Jessica, became writers. Another, Diana, after a scandal married Oswald Mosley, the British fascist leader, and spent three years in prison during World War II. By contrast, Jessica became a member of the American Communist Party. Deborah herself met Nazi leader Adolf Hitler in 1937.

Deborah became the family peacemaker in this divergence of political philosophies. More important, under the tutelage of a neighbor, society leader Nancy Lancaster, Deborah became known as the real beauty of the family, and in 1941 she married Andrew Cavendish, the younger son of the eleventh duke of Devonshire. The Cavendishes were an old, established, aristocratic family, dating back to the sixteenth century. They had been named the dukes of Devonshire in 1694 in exchange for supporting the Glorious Revolution (1688-1689), in which King James II was deposed and William III and Mary II become the new Protestant sovereigns.

At the time of his marriage to Deborah, Andrew Cavendish was serving in the Coldstream Guards. As he had no immediate prospects of inheriting his father's title, Cavendish took a job with the Macmillan publishing house, with which the Cavendishes had family connections. Harold Macmillan, later the British prime minister, was Cavendish's uncle.

First Ventures

However, during World War II, Cavendish's older brother was killed in action in Belgium in 1944, and although he was married to Kathleen Kennedy, the sister of future president John F. Kennedy, the couple had no children. This meant that Andrew, as heir, assumed the title marquis of Hartington, and Deborah became the marchioness. When his father died in 1950, Andrew became the eleventh duke of Devonshire, and Deborah was now the duchess.

The Cavendish family's primary estate was at Chatsworth House, in Derbyshire's Peak District, and was one of the most stately homes in the country. The Cavendishes owned other estates, including Lismore Castle in Ireland, Bolton Abbey in Yorkshire, a London residence in Mayfair, and a London club. The family also had developed the seaside resort of Eastbourne in the nineteenth century, and they still owned large parts of the town.

However, Chatsworth was in bad condition by World War II, when it was used as a girls' boarding school. After Andrew's father died, crippling death duties were imposed on the estate in the 1950's. For a while it looked as if the estate would go the way of many old homes in Great Britain, to be either sold or donated to the nation through the National Trust. Deborah, however, urged Andrew to retain the Chatsworth estate as a family home and to find ways to make it financially viable and to pay off the duties. In 1967, these duties were negotiated at the sum of £7 million and were paid off in twenty-four years. As part of the process, the Cavendishes were required to give the state a number of art treasures, including one of their three Rembrandts, and sell off part of the grounds.

CHATSWORTH HOUSE

The original Chatsworth House was a Tudor-style residence built in the sixteenth century by Sir William Cavendish while he was married to the redoubtable Bess of Hardwick. Cavendish had gained lands in East Anglia from Henry VIII while disposing of the monasteries the king had taken from the Catholic church. Bess, who came from Derbyshire, persuaded Cavendish to sell the East Anglia lands and buy property in the Derwent Valley of England's Peak District. After Cavendish's death, Bess married the earl of Shrewsbury and continued to develop the small manor house originally on site into a five-story mansion. The construction project eventually cost £80,000 and was a point of some contention between Bess and her husband. Mary, Queen of Scots, was briefly imprisoned at Chatsworth House.

The house remained in the family after Bess's death. In 1618, her son William Cavendish was named the first earl of Devonshire. After the Glorious Revolution (1688-1689), the old Tudor mansion was gradually replaced by a substantial new residence, built under the guidance of architect William Talman, and formal gardens were laid out. The first of the gardens' water features, fed by water from the surrounding moors, also were constructed at this time, to be expanded by successive landscape architects. In the eighteenth century, James Paine and Lancelot "Capability" Brown, leading landscape and garden designers, made the setting even more magnificent as the dukes of Devonshire became even more important. For example, between 1750 and 1790, William Cavendish, fourth duke of Devonshire, was prime minister for six months beginning in November, 1756, and five other family members held seats in Parliament. New paintings and furnishings also were acquired. A new wing was built in the nineteenth century, but it was demolished in 1919.

In 1826, William George Spencer Cavendish, sixth duke of Devonshire, appointed a twenty-three-year-old head gardener, Joseph Paxton, who designed an innovative conservatory and other landscape features; Paxton later designed the Crystal Palace, which housed the Great Exhibition of 1851 in London's Hyde Park. The sixth duke was primarily responsible for building the home's seventeen-thousand-book library.

The 36,000-acre Chatsworth estate features a 1,000-acre deer park and 105 acres of formal gardens, with many greenhouses and prize collections of camellias and crocuses. The grounds also contain numerous water features, including fountains, cascades, artificial valleys, ponds, and lakes. The residence itself has 175 rooms, 21 kitchens, 13 acres of roofs, more than 3,000 feet of passages, and 17 staircases. Chatsworth is also the location of a large farm shop, employing more than one hundred people, a restaurant, and a bookstore.

Deborah and her husband chose to restore Chatsworth's house and grounds and to open the estate to the public, charging visitors an entrance fee. The public would be able to view the contents of the house, including the family's art collection, which included paintings by Frans Hals, Sir Anthony van Dyck, and Rembrandt. Deborah saw other business opportunities for the property, such as growing farm produce to be sold at an estate shop; publishing booklets about the house, gardens, and artworks; and opening a restaurant. She later published cookbooks with recipes served at the estate's restaurant. These ventures resulted in the family's loss of privacy, the expense of restoration, and the hard work of operating the estate and its related businesses.

MATURE WEALTH

The Cavendishes set up a charitable trust fund in 1981, endowing it with the proceeds from the sale of a number of artworks, including one painting that was sold to the Getty Museum. These art sales, as well as the income derived from the public tours and other estate-related ventures, generated sufficient wealth to make the estate economically viable.

In all of these enterprises, Deborah provided the entrepreneurial drive and vision, and her sense of style kept the family tradition of elegance and nobility intact. A number of other country estates that did become self-sufficient, including some that became safari parks, lost this sense of style and tradition. However, Deborah's innate aristocracy retained Chatsworth as the "Palace of the Peak."

Her husband, Andrew, was involved in a number of other activities. In the early 1960's, he held several positions in the Conservative administration of his uncle, Prime Minister Harold Macmillan. Andrew also enjoyed horse racing, serving as steward of the Jockey Club from 1966 to 1969. Andrew preferred to live at Chatsworth, while Deborah spent time at their Mayfair house.

Deborah's activities also included buying modern art to replace the artworks she had sold, purchasing works by such artists as L. S. Lowry, Gwen John, and Lucien Freud. She copyrighted some of the wallpaper designs and other decorative features of Chatsworth and marketed them under the imprint of Chatsworth Design, and she also developed several hotels that the Cavendishes owned. She continued her writing, branching out from books about Chatsworth to works about her own life and times.

Legacy

When Andrew died in May, 2004, the estate was inherited by his son Peregrine, who became the twelfth duke of Devonshire. Deborah went to live in an old refurbished vicarage on the Chatsworth estate. However, the new duke did not have the desire to operate Chatsworth, so the dowager duchess, as Deborah was now known, teamed up with one of her fifteen grandchildren, William, earl of Burlington, to continue the work of running Chatsworth as a financial enterprise.

Deborah Cavendish's legacy has been to maintain for both the Cavendish family and the British people a priceless family estate, fully restored to the vision of its previous owners and developers, accessible to the general public, and in a stunningly beautiful part of England. She has been able to retain the best characteristics of the British aristocratic tradition. In 1999, she was appointed Dame Commander of the Royal Victorian Order for her services to the queen's royal collection.

—*David Barratt*

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See also: Bess of Hardwick; Georgiana Cavendish; Henry Cavendish.

Georgiana Cavendish

British socialite

Cavendish's wealth enabled her to shine in late eighteenth and early nineteenth century England as a leader in fashion and politics. However, the expenses of maintaining her position and her love of gambling (a common vice among the eighteenth century aristocracy) meant that much of her life was lived in financial need.

Born: June 7, 1757; Wimbledon, Surrey, England
Died: March 30, 1806; London, England
Also known as: Georgiana Spencer (birth name); Duchess of Devonshire
Sources of wealth: Inheritance; marriage
Bequeathal of wealth: Dissipated

Early Life

Georgiana Spencer Cavendish was born in 1757 to John Spencer, first earl of Spencer, and his wife Margaret Georgiana Spencer. Georgiana enjoyed the benefits of the Spencers' wealth and social status, traveling extensively and gaining a social and cultural polish that would become a hallmark. She met her future husband, the very wealthy and socially prominent William Cavendish, fifth duke of devonshire, while traveling with her family in the Austrian Netherlands in 1772. The two determined to wed, despite concerns over their future compatibility and Georgiana's youth. They were married on June 7, 1774.

First Ventures

The young duchess quickly established herself in London society. A leader of fashion, she was responsible for the introduction of numerous styles of dress, including the ostrich-feather headdress. In 1783, Cavendish rejected her elaborate fashions of previous years in favor of a simple muslin dress, and she again set the tone for many London ladies.

In London, Cavendish acquired a vice that would haunt her life—gambling. She played very heavily and moved in a circle of fast-living aristocratic Londoners who congregated at the duke's London residence, Devonshire House. One heavy gambler who would have a great impact on Cavendish's subsequent career was the Whig politician Charles James Fox, a longtime friend and political ally. Cavendish campaigned vigorously, and controversially, for Fox's election to the House of Commons from the constituency of Westminster. During the energetic campaign of 1784, she was criticized for undue intimacy with working-class voters, including trading votes for kisses. Cavendish also became friends with the heir to the throne, Prince George, the future George IV.

Mature Wealth

Cavendish played a diminished political role after 1784, as the Whigs were out of power. Her private life was also unhappy, as her husband had established his mistress, Lady Elizabeth Foster, in the household. Foster had originally been Cavendish's friend and the relationship between the two women and the duke was complex. Foster used Cavendish's spiraling gambling debts in an unsuccessful maneuver to get the duke to legally separate from his wife. Cavendish was also discredited by the Whig Party's failure in the Regency Crisis of 1788, when the madness of King George III seemed to offer the opportunity for the Whigs' ally, Prince George, to come to power as regent for his father. Following George III's recovery, the Devonshires went into voluntary exile on the European continent.

In 1791, Cavendish became pregnant with the child of the young Whig politician Charles Grey, with whom she had been having an affair for about two years. The duke gave her the choice of divorce or separation, and Cavendish opted to live with her household in Naples, returning to England in 1793 after the birth of her child. During the next decade, Cavendish lost most of her sight because of an infection and lived a more socially retired life, eventually giving up gambling (although her large debts continued to cause great strain) and devoting much of her time to collecting minerals and improving the ducal houses.

After the resignation of the ministry led by Fox's old rival William Pitt the Younger in 1801, Cavendish returned to politics as Fox's ally, helping to promote a reconciliation between Fox and Prince George and attempting to keep the Whig Party together as a coherent body. The short-lived Ministry of All the Talents, a unity government formed in 1806, included Fox and was also viewed as a political triumph for Cavendish. She died of a liver disease shortly after the ministry's formation.

Legacy

Cavendish demonstrated the ability of a wealthy woman to play a leading part in the cultural and political affairs of her time, despite the widespread criticism she received for behavior unbecoming to her gender.

—*William E. Burns*

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See also: Bess of Hardwick; Deborah Cavendish; Henry Cavendish.

HENRY CAVENDISH

British scientist

Cavendish used his inherited wealth to fund personal scientific experiments. He lived a thrifty existence and in solitude for most of his adult life, but he was a highly respected scientist of the eighteenth century.

Born: October 10, 1731; Nice, France
Died: February 24, 1810; London, England
Also known as: Honourable Henry Cavendish
Source of wealth: Inheritance
Bequeathal of wealth: Relatives

EARLY LIFE

Henry Cavendish was born in 1731 in Nice in the south of France, where his mother was convalescing in the mild climate. His parents came from British aristocracy, although their status was earned though service to the government. Cavendish was raised by his father and servants after his mother died in 1733. He received schooling from home until eleven and then attended a private school near London. He developed an early interest in science and at eighteen entered Cambridge University. Cavendish was extremely shy and uncomfortable around people, especially strangers and women.

FIRST VENTURES

Cavendish left Cambridge in 1753 before graduating and built a private laboratory in his family's London home. Although his father shared his son's interest in science, he was unhappy that his son did not follow a career more typical of nobility, such as political or public service. Consequently, he provided his son with only a modest allowance of £500 a year. It nevertheless enabled Cavendish to equip his laboratory with instruments for his early experiments.

In the 1780's, Cavendish inherited an enormous fortune from a first cousin, who admired his dedication to science. He moved to a mansion in the north of London and rented another home south of London in Clapham Common, where much of his important scientific work was conducted. When his father died in 1783, Cavendish inherited an additional fortune and was reputed to be the wealthiest scientist of his day.

MATURE WEALTH

Having unlimited funds, Cavendish was able to buy or construct the best scientific instruments of the period, which were essential for his accurate measurements in the areas of chemistry and physics. Cavendish studied the properties of gases and was a careful experimenter and analyst. One of his most important discoveries was to show that water—long thought to be an element—was actually composed of two elements, hydrogen and oxygen. He also investigated electrical phenomena and developed an interest in gravitation.

Although he spent a considerable fortune on his scientific instruments and on renovating his homes to accommodate his research, Cavendish was remarkably frugal in all other aspects. He had no desire for fancy food or clothing, generally wearing suits from the previous century. Nor did he have any interest in the things his family valued, such as land acquisition, material wealth, politics, or marriage. Aside from money spent on his re-

Henry Cavendish. (Library of Congress) search, his only extravagance was an extensive personal library. As he grew older, Cavendish became even more reclusive and eccentric. In order to avoid contact with his servants, he built a staircase at the back of his house for his personal use. Rarely did he leave the house, except once a week for professional meetings at the Royal Society. On these occasions, he would go to great lengths to avoid meeting people.

At Cavendish's death, he was reported to be the largest holder of bank stock in England. He left more than £1 million in his will, of which £700,000 went to his cousin Lord George Cavendish. The remainder was distributed to other family members.

Legacy

Science historians regard Cavendish as a brilliant eighteenth century scientist. However, without access to a personal fortune, he would not have been such a productive researcher. Financial independence enabled Cavendish to work in isolation. Many scientists of the time worked in universities as teachers to support themselves, but because of his extreme shyness and other eccentricities it is unlikely Cavendish could have tolerated close contact with people had it been necessary for him to seek employment.

—*Nicholas C. Thomas*

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See also: Bess of Hardwick; Deborah Cavendish; Georgiana Cavendish; James Smithson.

Anne Cox Chambers

American publisher, media owner, and philanthropist

Chambers and her younger sister Barbara Cox Anthony tended and grew their father's media empire during the second half of the twentieth century and into the twenty-first century, with Chambers wielding considerable influence in newspaper, radio, television, and cable subscriber markets from her home base in Atlanta, Georgia.

Born: December 1, 1919; Dayton, Ohio
Also known as: Anne Cox (birth name)
Sources of wealth: Inheritance; media
Bequeathal of wealth: Children; charity; educational institution

Early Life

Anne Cox Chambers was born in 1919, the daughter of James M. Cox, a Dayton, Ohio, publisher who was then the governor of Ohio, and of Cox's second wife, Margaretta Parler Blair. Chambers was raised in a home where she learned how to expand and run a media empire, while also developing a lifelong allegiance to the Democratic Party. Her father, a high school dropout, had become a reporter, bought a Dayton newspaper, exerted his growing influence to become a three-term governor of Ohio, and was the Democratic nominee for president of the United States in 1920, with Franklin D. Roosevelt as his vice presidential running mate.

First Ventures

Although Cox lost his bid for the presidency, he shrewdly expanded Cox Enterprises into the developing radio market in the 1930's and the new television market in the 1940's before his death in 1957. Chambers studied at Finch College in Manhattan, married Robert William Chambers in 1955, and had three children. After her brother Jim, Jr., died in 1974, Chambers, who then co-owned the family company with her younger sister Barbara Cox Anthony, had opportunities to help guide Cox Enterprises, and the corporation would eventually enter the cable and Internet markets. From her home in Atlanta, Georgia, Chambers chairs the board of Atlanta Newspapers, Inc., and has broken new ground for women by serving as a director of the Bank of the South (from 1977 to 1982), a director of Coca-Cola (1981-1991), and the first female member of the board of directors of the Atlanta Chamber of Commerce.

Mature Wealth

In 1988, Chambers ceded control of Cox Enterprises to her nephew James Cox Kennedy, while remaining actively involved as an adviser to the company. In the twenty-first century, Cox Enterprises, a multibillion-dollar media corporation, continued to be a significant force among the select group of major American communications businesses, owning many newspapers, radio and television stations, a large cable company, a used-car retailer, and an Internet company. Anthony, Chambers's last remaining sibling, died in 2007. The following year, Chambers was considered the fourth-richest woman in America, with assets totaling more than $13 billion. After the economic downturn in the closing months of President George W. Bush's administration, her assets were estimated to have dropped to around $9 billion, but this still ranked her in a tie for number forty-three on the *Forbes* magazine list of the world's richest people, and she remained the wealthiest person in Georgia.

Legacy

Chambers has done much laudable philanthropic work in the arts, such as supporting museums, among them the High Museum of Art in Atlanta and the Whitney Museum of American Art and the Museum of Modern Art in New York City. However, her greatest legacy has been her unwavering support as a fund-raiser for the Democratic Party. She provided financial assistance to Barack Obama during his 2008 presidential campaign, and she has offered similar funding to other party candidates, most notably President Jimmy Carter. Carter, who came from Plains, Georgia, and had been governor of that state, appointed Chambers to be American ambassador to Belgium from 1977 through 1981. Chambers's philanthropy subsequently extended to the Carter Center, which Carter developed in 1982 as a policy institute affiliated with both the Carter Presidential Library and Emory University. Chambers also actively supports the Council of American Ambassadors and is a founding trustee of the Southern Center for International Studies, a nonprofit educational institute based in Atlanta.

—*Scot M. Guenter*

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See also: Walter Annenberg; Barbara Cox Anthony; Lord Beaverbrook; Silvio Berlusconi; Michael Bloomberg; Katharine Graham; William Randolph Hearst; John H. Johnson; Robert L. Johnson; John Kluge; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; Ted Turner; Oprah Winfrey.

Fateh Chand

Mughal banker and government official

An immensely wealthy and influential banker to the Bengali nawabs (provincial governors) and Mughal emperors, Fateh Chand was awarded the title of Jagat Seth, or "banker of the world."

Born: c. 1680; Bengal, India
Died: 1744; Bengal, India
Also known as: Jagat Seth; Baidnath; Banker of the World
Source of wealth: Banking
Bequeathal of wealth: Children; relatives

Early Life

Hiranand Shah, the grandfather of Fateh Chand (FAHT-eh chahnd), established a saltpeter trading and banking enterprise around 1652 in Patna, India. His son Manik Chand expanded the business into Murshidabad, the capital of the Bengal province of the Mughal Empire. When Manik Chand died in 1714, his nephew and adopted son, Fateh, succeeded to the business. Like many of the bankers and merchants of the Mughal Empire, Fateh Chand was a Jain.

First Ventures

Chand's moneylending enterprise was headquartered in Murshidabad in eastern India. Governed by a dynastic line of nawabs (provincial governors), Bengal was the wealthiest and most populous of the *subahs* (provinces) of the Mughal Empire. The Mughals had risen to power through conquest and plunder, but they had learned to govern their economy with order, taxes, and a stable currency. The basic coin of the realm was the silver rupee, which would be worth about $20 in 2010 currency.

Chand had banking branches in the cities of Dhaka, Patna, Delhi, and Murshidabad. He made loans, bought and sold gold and silver, repaid loans for merchants, and exchanged foreign currencies. Early in his career, he was made the treasurer general of Bengal. A major source of Chand's revenue was the interest that Bengali *zamindars* (landholders) would pay him on the loans they needed in order to pay taxes due the Mughal government. As Chand grew wealthier, he was also able to bankroll the European trading companies in East India. From 1718 to 1730, the British East India Company borrowed an average of almost 500,000 rupees a year from Chand. The French and Dutch East India Companies similarly borrowed great sums from him. Chand charged a standard interest rate of 12 percent annually. The schedule of shipping left European merchants chronically short of capital and they were forced to pay Chand's rates.

Mature Wealth

Chand's most profitable enterprise was his service as banker to the Mughal rulers. The Mughal Emperor Farrukh Siyar honored Chand with the title Jagat Seth (Banker of the World), which recognized the essential role that Chand's banking house played in the Mughal Empire. The title was passed down to Chand's heirs, although there is also evidence he had to pay the emperor 500,000 silver rupees for the privilege. The great British parliamentarian Edmund Burke called Chand the "Rothschild of India," and the British historian Robert Orme called Chand "the greatest money-changer and banker in the known world."

Chand was entrusted with the operation of the imperial mint at Murshidabad, a central government function and a major source of revenue for his family. It has been disputed whether Chand had exclusive use of the mint and the right to set rates of seigniorage, or government revenue from the manufacture of coins. European traders complained about Chand's control of the Bengali economy and the rapacious use he made of his minting privilege. Chand was the largest purchaser of silver bullion in the Mughal Empire, minting 5 million rupees worth of coins each year. There were other wealthy bankers in Bengal, such as Umichand, who left an estate of 4.2 million rupees. However, the wealth of Jaget Seth was staggering, estimated at around 70-140 million rupees, the equivalent of billions of dollars in 2010 currency.

The wealth of the house of Jagat Seth was so great that it played a role in dynastic changes. In 1727, Fateh Chand helped install Shuja-ud-Din Muhammad Khan as the nawab of Bengal. In 1740, Chand was instrumental in Alivardi Khan's deposition of Nawab Sarfaraz Khan. The house of Jagat Seth assisted the English victory at the Battle of Plassey in 1757, when a British East India Company force commanded by Robert Clive gained sovereignty over East India. After Chand's death, his heirs Mahtab Rai and Swaroopchand headed the house of Jagat Seth.

Legacy

The greatest banker in the history of the Mughal Empire, Jagat Seth Fateh Chand served as the treasurer and minister of the Bengal province and as the chief moneylender to the European trading companies and the Mughal rulers. Assisting the English accession of India, the house of Jagat Seth remained the bankers of the British East India Company until 1773. The descendants of Chand retained the title of Jagat Seth until 1912.

—*Howard Bromberg*

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See also: Aurangzeb; Robert Clive; Abdul Ghafur; Shah Jahan; Virji Vora; Shantidas Zaveri.

Dhanin Chearavanont

Thai agribusinessman, investor, and landowner

Chearavanont's business accomplishments and fortune benefited his family and helped Thailand secure a significant role in international markets. His financial insights affected the policies of foreign countries, especially China.

Born: January 28, 1939; Bangkok, Thailand
Also known as: Dhanin Chiaravanont
Sources of wealth: Agricultural products; trade; real estate
Bequeathal of wealth: Children; relatives; charity

Early Life

Dhanin Chearavanont (TA-nihn GEE-rah-wah-non) was born on January 28, 1939, in Bangkok, Thailand, the son of Chia Ek Chow and Kimkeea. His parents had emigrated from Shantou, Guangdong Province, in southern China to Siam (now Thailand) in 1919. Chearavanont's father and uncle brought vegetable seeds from their family's Chinese farm to Bangkok. By 1921, the brothers established the Chia Tai seed store. As a boy, Chearavanont helped his three older brothers package seeds for customers. He attended both Thai and Chinese schools. In 1956, Chearavanont studied at Hong Kong Commercial College. He later was a student at National Defence College in Bangkok. Chearavanont married his wife, Tawee Watanalikhi, in 1962. They have five children, sons Supakij, Narong, and Supachai and daughters Varnnee and Thipaporn.

First Ventures

In 1953, Chearavanont's family established a mill in order to manufacture livestock feed and renamed their business Charoen Pokphand (CP) Group. They later opened mills to produce feed for livestock throughout Asia. CP also shipped eggs, ducks, chickens, and hogs to domestic and foreign markets. By 1964, Chearavanont directed CP's agribusiness endeavors.

Impressed with the contributions of scientific research to increasing meat yields, Chearavanont imported chickens bred to mature quickly from Arbor Acres Farm in Hartford, Connecticut. He also contacted nutrition experts to prepare feeds that would enhance the growth of chickens. In Thailand, Chearavanont contracted with farmers to raise chickens he provided them. He introduced his poultry husbandry methods to farmers in nearby Asian countries, increasing CP's profits. Chearavanont also implemented processing techniques enabling CP to earn income from every aspect of producing livestock through delivering meat to markets. He arranged for farmers to use specially prepared feeds to raise shrimp or fish from larvae or eggs. CP purchased harvested shrimp and fish, freezing and exporting yields.

Mature Wealth

Chearavanont strove to identify and pursue entrepreneurial opportunities before his competitors. He invested in land, stores, factories, and gas stations, securing alliances with 7-Eleven, Honda, and other corporations. Interested in developing businesses in China, by 1978 Chearavanont had registered CP in that country. Aware of emerging technologies, Chearavanont invested in petrochemicals and fiber optics in the 1980's, establishing Telecom Asia.

CP's livestock feed business continued to prosper, ranking first in Thailand and fifth globally. CP owned more than one hundred feed mills in Asia, Europe, and North America, with yields averaging fourteen million tons annually in the early 1990's.

CP's success worldwide contributed to Chearavanont's elite financial status. In September, 1992, *Fortune* magazine included Chearavanont on its list of world billionaires. In 1995, *Forbes* estimated Chearavanont's family's wealth at $5.5 billion, the richest in Thailand. CP generated annual revenues of $8 billion. Chearavanont and his brothers each owned 13 percent of CP.

During the 1997 Asian economic crisis, Chearavanont sold numerous CP properties and concentrated on agribusiness income sources. By 2002, CP had survived the crisis and continued to expand, despite the early twenty-first century avian flu epidemic threatening Chearavanont's poultry businesses. Chearavanont responded by quarantining CP facilities. Under Chearavanont's leadership, CP earned revenues totaling $13 billion in 2002.

In 2006, Chearavanont attained the rank of 317 on the *Forbes* list of the world's richest people; CP's sales totaled $14 billion that year. In September, 2009, *Forbes* ranked Chearavanont, who was worth $3 billion, the second-wealthiest person in Thailand.

Legacy

Chearavanont's wealth impacted Asians by providing them an inexpensive source of sustenance with protein and nutrients. Many people had been unable to purchase meat until CP's affordable products were sold. These foods became a regular component of many people's diets, strengthening bodies while reinforcing Asian economies. In an attempt to reduce rural poverty, Chearavanont promoted the payment of equitable prices to rice farmers for their crops instead of demanding low charges that benefited commercial companies like CP. He shared his wealth through donations to schools and charities, such as Synergos, which fights poverty. He also supported hospital and agricultural programs that were sponsored by Thailand's royalty.

—*Elizabeth D. Schafer*

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See also: Liu Yongxing; Seng Sae Khu; Thaksin Shinawatra.

Ivan Borisovich Cherkassky

Russian aristocrat and government official

Cherkassky was a nobleman who headed the Russian government for twenty years. He accumulated great personal wealth, particularly in the form of land, and became the richest man in Moscow. Cherkassky used his wealth and political capital to exert great influence on the government, supporting the rising power of the Romanov Dynasty.

Born: c. 1580; Russia
Died: April 4, 1642; Russia
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Relatives

Early Life

Prince Ivan Borisovich Cherkassky (EE-vahn boor-EE-soh-vihch chehr-KAHS-kee) was the only son of Boris Kanbulatovich Cherkassky and Marfa Nikitichna Romanova. His father was a Circassian prince who converted to Christianity and served the czar from around 1575 through 1576. Cherkassky's mother was the sister of Filaret, the patriarch of the Russian Orthodox Church who coruled Russia with his son Michael Romanov from 1619 to1633. Cherkassky had a sister, Irina Borisovna Cherkasskaya.

At this time, the boyars (princes) of Circassian origin were some of the most powerful figures in the Russian court, closely allied with the rising Romanovs. Cherkassky was born into a wealthy, politically active family. In 1599 and 1600, the regent Boris Godunov had Cherkassky and other Romanov supporters arrested. Cherkassky was exiled in 1601 but returned to Moscow the following year.

First Ventures

The Cherkassky boyars maintained close ties to families in their Circassian homeland and with each other, keeping their land and other wealth in the family. This practice helped make them the richest boyar clan in Russia.

While little direct information is available about how Ivan Borisovich Cherkassky built his personal fortune, his management of government money suggests a shrewd monetary sense. At some point between 1600 and 1610, Cherkassky became *kravchy*, an honorary position at court, but Czar Vasily Shuysky removed him from that position. Cherkassky married Evdokiya Vasilievna Morozova, sister of Boris Ivanovich Morozov, a prominent boyar and statesman. Cherkassky's wealth probably helped him survive the Time of Troubles (*Smutnoe Vremya*) between the end of the Rurik Dynasty in 1598 and the establishment of the Romanov Dynasty in 1613.

Cherkassky became a boyar in 1613, shortly after Michael Romanov became czar, but he did not rise to prominence at court until Filaret became coruler with Michael in 1619. Under the joint rule of Filaret and Michael, Cherkassky became head of the Musketeers Chancellery (1623-1642), the Apothecary Chancellery (1624-1642), the Foreign Mercenary Chancellery (1622-1642), and the Great Treasury (1622-1642).

Mature Wealth

By 1624, Cherkassky was already one of the most powerful men at court. He was trusted not only with Filaret's money and military but also with the czar's medical care. Observers from Sweden and Germany readily marked him as the head of government. The German traveler Adam Olearius noted not only Cherkassky's power but also his personal wealth, which included the hamlet of Pavlovo. Contemporaries knew that Cherkassky managed government affairs well, and this skill presumably extended to his personal properties.

Cherkassky's work in the Musketeers Chancellery illustrates both his military and fiscal strategy. Between 1619 and 1642, Cherkassky worked with Filaret to improve the *pomestie* system, which granted the use of parcels of land in exchange for military service. Rents from these lands went to the service member, but the ownership of the land remained with the czars. Under Cherkassky's leadership, servicemen were granted land, cash subsidies, and temporary tax immunities. These measures ensured that the Russian army remained strong without leading to financial problems, albeit at the expense of the peasants.

By 1635, Cherkassky dominated the chancelleries as well as the Boyar Duma, the advisory council of nobles, a position he retained until his death. Cherkassky's wealth, likely derived primarily from land revenues, continued to grow. He died on April 4, 1642, without children, leaving his estate to a cousin.

Legacy

Cherkassky's cousin and heir, Iakov Kudenetovich Cherkassky, was a boyar and powerful figure at court. Iakov played a major role in the political rivalry of 1645-1650, supporting Nikita Romanov against Boris Ivanovich Morozov for leadership of Russia. Iakov came to replace Ivan Borisovich Cherkassky in the Russian court as the wealthiest and most politically prominent member of a wealthy and powerful family. Without their accumulation and management of wealth, it is doubtful that the Cherkassky boyars would have achieved such political preeminence and influence on Russian history.

—*Melissa A. Barton*

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See also: Aleksandr Danilovich Menshikov; Nikita Romanov; Grigory Stroganov; Felix Yusupov.

Agostino Chigi

Italian banker and merchant

Chigi was one of the wealthiest bankers and merchants in late fifteenth and early sixteenth century Europe. Active primarily in Rome as the banker to the pope, he was also an important patron of the arts. His art patronage is epitomized by the Villa Farnesina, the residence he built in Rome.

Born: c. 1465; Siena (now in Italy)
Died: 1520; Papal States (now in Rome, Italy)
Also known as: Il Magnifico
Sources of wealth: Banking; trade
Bequeathal of wealth: Spouse; children; artistic patronage

Early Life

Agostino Chigi (ahg-oh-STEE-noh KEE-jee) was born around 1465, and according to the baptismal rolls of Battistero di San Giovanni in Siena, he was baptized at this cathedral on November 29, 1466. Chigi was born into a wealthy Sienese family of merchants. His parents were Mariano Chigi (1439-1504) and Caterina Baldi. Mariano was well known in Siena and held important political and financial positions, including that of Sienese ambassador to the Holy See. Like his son Agostino, Mariano was a patron of the arts, and he commissioned the painter Perugino, the artist Raphael's teacher, to create a major altarpiece. In addition to receiving a basic education in letters as appropriate to his social standing, Agostino learned the banking and financing business, first at his father's offices in Siena and Viterbo and in 1487 in Rome at Ambrogio Spannocchi's firm, which performed accounting services for the Holy See.

First Ventures

Perhaps as early as 1487, the Chigis, father and son, together with Stefano Ghinucci, opened a banking business in Rome. This newly established financial firm, which was managed by Agostino, flourished in the 1490's. The firm's dealings covered the full business spectrum, from trade in grain, wine, and livestock to currency exchange and tax accounting. The company's most important loan before the end of the fifteenth century was finalized in December, 1499, when Agostino convinced his partners to lend 3,000 ducats to Cesare Borgia, son of Pope Alexander VI, when Borgia was overseeing military campaigns in northern Italy for his father. Agostino had started financing Borgia's operations in 1498.

Since the 1490's, Agostino had achieved considerable distinction on his own. In 1492, he was named director of the papal salt marshes (salt was an important commodity in the premodern world), of the customs operations of the Papal States, and of the taxes imposed by the Holy See. These appointments were crucial for Chigi's development as a businessman and financier. He became inextricably involved with the financial affairs of the pope, and he also developed an extensive network of international connections, which eventually supported the opening of more than one hundred offices of his firm in Italy and branches from London to the Levant. While primarily devoted to doing business with the pope, Chigi also lent considerable sums to Charles VIII, the king of France, who occupied Rome in 1496; to the Medici family (4,000 ducats); and to the *condottiere* (mercenary soldier) Guidobaldo da Montefeltro in 1497 (111,173 ducats).

Mature Wealth

The foundation of Chigi's mature wealth was the concession he received from the pope in December, 1500, to manage the alum mines at Tolfa, leasing them for 34,000 ducats per year. Until then, the alum mineral, a crucial ingredient in dyeing processes in which it serves as the binding agent between the cloth and the dye, was imported in Europe from the Ottoman Empire. In just a few years, during which he also bought all the smaller alum mines in Italy, Chigi gained dominance of the alum market, achieving a virtual monopoly on this commodity in Europe—a monopoly that was made official in Flanders in 1508 for a payment of 85,000 ducats. Chigi extended his sales of alum throughout the East, all the way to China. In addition to improving alum extraction techniques, he assembled a commercial fleet of about one hundred ships to distribute the mineral, harboring the fleet at Porto Ercole in Tuscany, a city-port that he rented from the Republic of Siena for 8,000 ducats. The alum business was particularly lucrative: In 1520, Chigi's net profits from the mineral reached 300,000 ducats.

In 1502, Chigi founded his own financial firm, the Banco Chigi, in partnership with his father and a friend, Francesco Tommasi. The original capital committed to the venture was 8,000 ducats, with 3,250 each from Chigi and his father and 1,500 from Tommasi, and the partners agreed to split their profits and risks according to these proportions. Combining his living and office spaces, Chigi rented the large house that had been occupied by his father's business since 1476. Thanks to

VILLA FARNESINA

Agostino Chigi, the wealthiest financier of Renaissance Europe and an influential banker to several popes, had a villa built as his palace immediately outside the city walls of Rome. The home acquired the name Villa Farnesina in 1573, when the property was purchased by the Farnese family.

Villa Farnesina is the quintessential Italian Renaissance urban villa, with its decoration emulating similar homes built in this period. In building this residence, Chigi was inspired by Florentine palaces, and he viewed the construction of other Italian villas. At the end of the fifteenth century, Chigi also witnessed the creation of important private buildings with complex decorations in Siena and Rome, including the Belvedere of Pope Innocent VIII, the Palazzo della Cancelleria, and the Borgia Apartment in the Vatican. Chigi was impressed by the frescoes painted on the walls of the Sistine Chapel, which were completed by renowned painters called to Rome by Pope Sixtus IV.

The architectural design of Chigi's villa was completed by Baldassarre Peruzzi, who began working on the project in 1505. Chigi moved into the villa in the summer of 1511, the year in which Raphael began to paint the now-famous fresco decorations on its walls and ceilings, which were completed in 1512. The iconography of these frescoes is complex, and scholars remain uncertain about many of the paintings' details. However, it is clear that in *The Triumph of Galatea*, which embellishes the loggia on the main floor of the building, the primary theme of the fresco is Chigi's own horoscope, while the frescoes in the Sala del Fregio allude to the death of Chigi's first wife and his marriage to his second. While Raphael is surely the most famous artist who worked on the building, Chigi invited other leading painters to contribute to his villa's decorations, including Peruzzi, Sebastiano del Piombo, and Il Sodoma. Three artists who studied and worked with Raphael—Giovanni da Udine, Giovan Francesco Penni, and Giulio Romano—helped the master painter complete the decorations on the Loggia of Amore and Psiche.

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his shrewdness, Banco Chigi prospered even after a Genoese clergyman became Pope Julius II in 1502. Even though Julius gave his business to Genoese firms, Chigi had lent him considerable sums through which he secured his election to the Papacy, and these loans guaranteed Chigi's business with the Holy See.

Chigi remained close to Julius as the pope's trusted friend, banker, financier, political adviser, ambassador, and patron of the arts. He followed the pope in two military campaigns in 1506 and 1510, and it is said that Chigi instigated the second one in order to protect his alum business from the Ferrarese family's interference. Julius excommunicated Chigi's adversaries, and he also entrusted Chigi to handle the financial arrangements that would ally the Venetian Republic with the Holy League against France in the War of the League of Cambrai in 1511. The friendship between the pope and his banker is epitomized by the fact that Julius officially adopted Chigi into the pope's family in 1511. Among the many privileges granted through this adoption, a special benefit was the integration of the oak leaves, the symbol of the coat of arms of Julius's family, the della Rovere, into Chigi's coat of arms.

Perhaps inspired by the patronage policies of Popes Sixtus IV, Alexander VI, and Julius II, Chigi understood that the success of any urban leader is closely tied to his public image. Accordingly, he used his wealth to fashion his public persona in a variety of ways, from holding extravagant parties and memorable processions in Rome to being the supportive patron of celebrated artists and the donor of major public projects. This policy is instantiated early in Chigi's career by his donation to build a new church in Tolfa. In Rome, Chigi's participation in three projects conceived during Julius's term as pope stand out: Chigi provided the funds to build and decorate two prominent chapels, one in Santa Maria della Pace and a second one, his funerary chapel, in Santa Maria del Popolo. He had the pope's favorite painter, Raphael, decorate these churches with frescoes. Chigi also hired Raphael to complete the complex decorative program of his urban palace, Villa Farnesina.

In 1513, Julius was succeeded by Pope Leo X, a Florentine cleric. Chigi managed to remain a primary financial personality in the new pope's administration by lending Leo considerable sums during the papal conclave, at which Leo was elected pope.

Three noteworthy events in Chigi's personal life took place in the early sixteenth century: In 1508, his first wife, Margherita Saracini, died, leaving him childless. His proposal to marry Margherita Gonzaga, the natural daughter of the duke of Mantua, through a gift of 10,000 ducats (Chigi's inheritance at the time was valued in excess of 400,000 ducats) proved unsuccessful. In 1512, Chigi married Francesca Ordeaschi and they had three sons.

In his 1519 will, he left his estate to his sons, none of whom was of age and one of whom had yet to be born.

Chigi died peacefully in his sleep at home after a busy workday in 1520.

Legacy

Of Chigi's three sons, only Lorenzo survived into adulthood. Unfortunately, because of his son's poor business sense and the many lawsuits arising from his estate, Chigi's wealth was basically dissipated by the time Lorenzo died in September, 1573. Surely, as the more than five thousand attendees to his funeral suggest, Chigi's impact on the people and culture of Rome was considerable, his wealth and his business having touched the lives of many. Chigi's patronage had a lasting influence on the visual arts, which was particularly evident in his support of Raphael.

—*Renzo Baldasso*

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See also: Alexander VI; Giovanni de' Medici; Lorenzo de' Medici; Jacopo de' Pazzi; Filippo Strozzi.

Walter P. Chrysler

American automobile magnate

Chrysler became wealthy almost as a by-product of his lifelong passion for automobile design. His earnings allowed him to take great personal risks in advancing automotive technology, which materially influenced the development of transportation in the United States and ultimately the world.

Born: April 2, 1875; Wamego, Kansas
Died: August 18, 1940; Great Neck, New York
Also known as: Walter Percy Chrysler
Sources of wealth: Manufacturing; sale of products; real estate
Bequeathal of wealth: Children

Early Life

Walter Percy Chrysler (KRIS-lehr) was born in Kansas when that state was just emerging from its days as a frontier outpost. The son of a railroad worker, Chrysler chose to forgo attending college to become a machinist's apprentice with the railroads. In 1901, he married Della Forker, a childhood friend; they eventually had four children. Chrysler rose quickly in the railroad industry, becoming in succession a foreman, supervisor of works, and eventually, at age thirty-three, superintendent of locomotive maintenance for the Chicago & Great Western Railway. A dispute with the company's president led him to move to the American Locomotive Company in Pittsburgh. In 1912, he was in charge of manufacturing, earning a handsome annual salary of $8,000, when he was recruited to become manager of works for the Buick Motor Company in Flint, Michigan. Always a lover of automobiles, Chrysler accepted the offer and began his meteoric rise to prominence in America's new growth industry, personal transportation.

FIRST VENTURES

Executives at Buick and its parent company, General Motors (GM), soon recognized Chrysler's ability to cut costs and improve manufacturing processes. He became general manager and president of Buick in 1916 and executive vice president of GM in late 1918. His compensation rose exponentially, until he was earning $500,000 in annual salary and stock options. Eventually, however, he and William Crapo Durant, the president of GM, had a falling out over issues involving strategic management philosophy. Chrysler walked away from his job at Buick in 1919 and cashed in his stock, netting a profit of $10 million.

Walter P. Chrysler. (Hulton Archive/Getty Images)

MATURE WEALTH

Chrysler was not out of work long. Late in 1919, he agreed to take what was deemed a temporary job, serving as the de facto chief operating officer of Willys Motors at an annual salary of $1 million. He moved his family to New York, where he bought an estate on Long Island in 1923. Over two years he revamped operations at Willys, significantly reducing the company's debt. At the same time he was assisting Willys, Chrysler signed on to help the struggling Maxwell Motor Company improve its fortunes. Maxwell and its affiliate, Chalmers Motors, had fallen on hard times and incurred substantial debt.

At Maxwell, Chrysler worked under terms similar to those at Willys. He sought to streamline manufacturing procedures and restore public confidence in brands that had once been popular until rumors of shoddy production cut into sales. To assist him in identifying and correcting deficiences with the Willys and Maxwell models, Chrysler hired a trio of young engineers: Fred Zeder, Owen Skelton, and Carl Breer. These men solved many technical problems plaguing Willys and Maxwell autos. They also were entrusted by Chrysler to help create the first car to bear his name, the Chrysler Six, the development of which was financed in part with Chrysler's own money. The Chrysler Six was introduced in 1924 as part of Maxwell Motors' annual offerings.

A year later, Maxwell Motors was reorganized as the Chrysler Corporation, with Walter P. Chrysler as its president. Over the next five years, Chrysler made several daring moves to position his company as a direct competitor to the giants of the industry, GM and the Ford Motor Company. The boldest of these initiatives was made in 1928, when Chrysler acquired Dodge Brothers Motor Car Company and introduced a new automobile, the Plymouth. Purchasing Dodge Brothers, a company larger at the time than Chrysler Corporation, allowed Chrysler to develop a product line similar to that offered by GM, with cars available at various price ranges to appeal to different segments of the market. Most important among these brands was the Plymouth, introduced as a direct competitor to Ford and Chevrolet. Even though the stock market crash of 1929 and the ensuing depression affected Chrysler Corporation, by 1933 the company was once again healthy and outselling many of its rivals. By the middle of the decade, Chrysler Corporation had overtaken Ford to become the number-two auto manufacturer in America. However, the introduction of the Airflow line of cars in 1934 proved a modest disaster, as the public never warmed to their radical style, and the line had to be discontinued in 1937.

Great Wealth and the Automobile

During the first four decades of the twentieth century, the American automobile industry went on a roller-coaster ride that produced immense wealth for some and great losses for others. The nascent industry looked to many like a place to make their fortunes. Hence, in 1908, there were 253 auto manufacturers in the United States alone. Over time, innovations in technology, skillful pricing policies, and the development of brand loyalty, combined with significant fluctuations in the nation's economy, led to a drastic reduction in the number of manufacturers. By the beginning of World War II, there were only the "Big Three"—General Motors, Chrysler, and Ford—and half a dozen smaller firms. Henry J. Kaiser and other investors, who were successful in other businesses, lost considerable sums in their ventures into the auto industry. On the other hand, a few people who put money into the major companies made out handsomely. For example, before they began manufacturing automobiles under their own name, parts makers John F. Dodge and his brother Horace Dodge realized a $32 million return from a $10,000 investment in the Ford Motor Company.

Alfred P. Sloan, who took over General Motors from William Crapo Durant in 1923, became a multimillionaire over the course of his career. To avoid paying excessive estate taxes, he began contributing to a number of educational and medical institutions, and he established and endowed the Alfred P. Sloan Foundation with gifts of more than $300 million. Walter P. Chrysler earned tens of millions of dollars, much of which he invested in real estate or put back into the automobile business, as he supported innovative technologies that helped shape the future of the industry. His $8.8 million estate reflects only part of the wealth that he accumulated over his lifetime. Henry Ford may have benefited the most from his involvement in the auto industry. Reports during the 1920's estimated his personal fortune at more than $1 billion, and shortly before his death he established the Ford Foundation with a bequest exceeding $500 million, instantly making it the largest charitable organization in America.

Even among those who were successful in the automotive industry, the men who had risked much did not always keep the wealth they accumulated. For example, Durant had already become a millionaire from auto manufacturing when he founded General Motors in 1908, but he ended up losing virtually everything he had earned in the recession of 1919. Only a bailout by his company's board of directors, which gave him a $3 million stipend to leave the firm, allowed him to start over. In the next decade, he built another fortune at Durant Motors, but he lost everything again in the stock market crash of 1929. He lived the last twenty-five years of his life on a modest pension arranged by Sloan, the man who replaced him at General Motors, and gifts from Chrysler, who had worked for him briefly at General Motors.

While automobiles remained Chrysler's passion, he branched out into other ventures that he saw as either complementary to his principal business interests or worthy of his attention for other reasons. In 1930, he completed construction of the Chrysler Building in New York City, which became the company's principal office complex. Under his direction, the company began manufacturing marine engines, and its partnership with Chris-Craft, a boat manufacturer, proved profitable. Less successful, however, were his efforts in commercial air conditioning and railroad trucking.

Chrysler's success in the automobile industry rested on several key principles. First, he was keen on improving production efficiencies so his cars could be sold at greater profit margins than those of his competitors. Second, he was firmly committed to innovation in engineering and to the delivery of high-quality products. As a result, his cars generally offered buyers more options and more advanced technology than competitors' vehicles for the same cost. Unlike Henry Ford, Chrysler was able to hire highly competent lieutenants and give them the freedom to operate their division free from constant micromanagement. Finally, he was a risk taker who staked his own fortunes on the success of his company, as demonstrated by the structure of his contracts at Chrysler Corporation. In his tenure there, he never received a salary much above $200,000; instead, he augmented his base wage with profit-sharing and stock options. While these benefits provided little income in the lean years of the Depression, in 1928 his share of company profits was approximately $2.5 million.

Chrysler retired as the company's president in 1935, turning over operations to his hand-picked successor, K. T. Keller. Nevertheless, he remained active in the company that bore his name. Notably, in 1937 he helped negotiate an important labor agreement with the United Auto Workers. Shortly after completing these union negotiations, however, Chrysler suffered a stroke. In 1938, his wife Della died suddenly. Chrysler lingered two more years before he died on August 18, 1940.

Chrysler Building, Midtown Manhattan, New York, 1932. (Library of Congress)

Legacy

Shortly after his death, Walter P. Chrysler's estate was valued at $8,854,761. This sum seems rather modest when compared to the fortunes of Henry Ford or Alfred P. Sloan, the president and chief executive officer of GM, but in 1940, the country was just emerging from the decade-long Depression, and the value of stocks, real estate, and commodities, such as art works, had still not recovered their full value. With the exception of a few small benefices, the bulk of Chrysler's estate was divided equally among his four children.

The corporation Chrysler established continued throughout the twentieth century as one of America's "Big Three" automakers, although serious problems brought it to the brink of bankruptcy more than once. It survived for a time on its own, and in 1998 it merged for a brief period with the German firm Daimler-Benz before being acquired by a private equity group in 2007. Attempts to return to profitability after the recession of 2008 centered on a recommitment to the principles that Walter P. Chrysler espoused as important above all others: innovation and quality.

—*Laurence W. Mazzeno*

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See also: Chung Ju Yung; John F. Dodge; Harvey Firestone; Henry Ford; Soichiro Honda; Alfred P. Sloan.

Chung Ju Yung

South Korean entrepreneur, industrialist, and mechanical engineer

Chung founded Hyundai Group, a conglomerate that became the largest business entity in Korea. Concentrating on construction, ship and car manufacture, and technology, Chung's businesses became important employers and helped to build modern infrastructure on the Korean Peninsula. Chung's success in rapidly acquiring foreign technologies was instrumental in shaping the economy of twentieth century South Korea.

Born: November 25, 1915; Tongchon Kangwon, Korea (now in North Korea)
Died: March 21, 2001; Seoul, South Korea
Sources of wealth: Manufacturing; sale of products; construction business
Bequeathal of wealth: Children; relatives

Early Life

Chung Ju Yung (chung jew yeong) spent his early years working, along with his five younger brothers, on his father's small farm in Asan, on the east coast of Korea near what later became the demilitarized zone. Despite hard work, the family remained poor and often did not have enough to eat. Chung received only an elementary education. Hoping to earn more money to support his family, he repeatedly left Asan without his father's permission. First, he worked for a short time as a construction laborer, and later he studied accounting in Seoul. After each of these attempts to improve his circumstances, he returned to the family farm. Finally, Chung left for Seoul again, this time finding work in construction and other jobs. Taking a job as a delivery man for a small rice company, he impressed the owner and customers with his dedication to performing every task exactly to specification.

First Ventures

When the owner of the rice shop decided to sell, Chung had saved sufficient funds to become owner. He ran his Kyungil Rice Store successfully until a government regulation forced him to close in 1939. Shortly thereafter, Chung purchased a car repair shop, financing this acquisition without collateral through a business contact whose trust he had won. Chung's Ado Service Garage prospered until 1943, when it was nationalized by the Japanese. Chung lost most of his investment.

Following the departure of the Japanese at the end of World War II, Chung returned to Seoul and bought another car repair shop. He called his business Hyundai ("modern") Auto Service. Chung noticed that the wealthiest customers in Korea were the United States Army agents. Since most of the American contracts were for construction, Chung used profits from Hyundai Auto Service to found Hyundai Civil Works Company. Starting as a subcontractor, Chung learned every aspect of the business. His trademark was finishing every project on time and on budget, even if Hyundai lost money. Chung believed that he had to build capital in trust, as well as in assets. His strategy paid off; in 1950, with the start of the Korean War, Chung won the trust of the United States Army by successfully completing construction contracts in a challenging wartime environment. Hyundai Construction, the cornerstone of Chung's wealth, was now a respected company.

Mature Wealth

Hyundai Construction built its reputation during the reconstruction following the Korean War (1950-1953). Hyundai's first major contract was to rebuild a bridge on the Nakdong River in 1955. In 1957, Hyundai was hired to build five new bridges over the Han River. Chung aggressively bid on projects in which his company had little experience, compensating by hiring quick learners. Even though Hyundai had never built a highway, it won a contract to build the Pattani-Narathiawat Highway in Thailand. Next, Chung lobbied Korean President Park Chung Hee to build a highway from Seoul to Pusan. Hyundai constructed 40 percent of the Kyungbu Expressway, completed in 1970. Enjoying the confidence of Korea's president, Chung was now in charge of Korea's most powerful construction company.

Chung founded Hyundai Motor Company in 1967, and in 1976 the company built Korea's first export car, the Pony. As the car company grew, Chung continued to diversify his holdings. Hyundai Heavy Industries launched two major ships in 1974. By the mid-1980's, Hyundai was Korea's largest company, holding interests in high-technology firms, as well as in construction. Chung was now one of the wealthiest men in the world.

Legacy

In 1997, the Asian financial crisis forced Hyundai Group to restructure. Chung and his brothers sold much of the company's interests in auto manufacture and concentrated on heavy industry, especially shipbuilding. Hyundai Group continued to prosper. Chung worked until his death in 2001. He left control of the company to one of his eight sons, Chung Mong Hun.

Chung can be said to be the one man who built the South Korea of the late twentieth and early twenty-first centuries. From arrival at Inchon to a drive between any two major cities in South Korea on the Kyungbu Expressway, no one can visit this country without seeing the results of Chung Ju Yung's vision.

—*Wells S. Hansen*

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See also: Giovanni Agnelli; Walter P. Chrysler; John F. Dodge; Henry Ford; Soichiro Honda; Alfred P. Sloan.

Edward C. Clark

American lawyer, industrialist, and real estate investor

Clark, drawing on his background in patent law, helped settle significant patent litigation for Isaac Merrit Singer's sewing machine. As president of the Singer Manufacturing Company, Clark pioneered purchasing and marketing strategies that revolutionized the burgeoning domestic appliance industry. He then used his considerable wealth to develop real estate in both Manhattan and the Catskills region of upstate New York, notably in Cooperstown.

Born: December 19, 1811; Athens, Greene County, New York
Died: October 14, 1882; Cooperstown, New York
Also known as: Edward Cabot Clark; Edward S. Clark
Sources of wealth: Law practice; manufacturing; real estate
Bequeathal of wealth: Children

Early Life

Edward Cabot Clark was born in 1811 in Athens in the foothills of the Catskill Mountains in south central New York. His father was a potter. Clark, a sickly child, attended a private academy in Athens and at twelve was enrolled in Lenox Academy, a public preparatory school, in Lenox, Massachusetts. Homesick soon after arriving, Clark simply departed Lenox and returned home on foot, a trip of almost thirty miles. His father promptly returned him to school. Over time, Clark developed a love of learning through an ambitious self-designed reading program that drew on the resources of the academy's library.

At fifteen, Clark was admitted to Williams College and graduated in 1830. Deciding on law, he entered the firm of Ambrose Jordan in Hudson, New York, and in 1833 he was admitted to the bar. In 1835, he married Jordan's oldest daughter, Caroline, and two years later became a partner in her father's firm, which in 1838 set up a lucrative practice in New York City.

First Ventures

Over the next decade, Clark established a considerable reputation in the contentious field of patent litigation. The firm prospered (Clark's father-in-law served as the state's attorney general). Clark maintained an unassuming social profile (he was a Sunday school teacher), preferring to dedicate his considerable talents to his work and to his devoted wife and their only child, Alfred. Among the clients Jordan & Clark accepted was Isaac Merrit Singer, an eccentric inventor and part-time actor from Boston. In the early 1840's, Singer had invented a revolutionary machine for carving wood and metal into signs, although the sole prototype had been destroyed in a boiler explosion. Litigation involving that design had originally brought Singer to Clark's firm. Around 1850, Singer had tinkered with the existing model of a sewing machine. The machine design had proven stubbornly unworkable. In just eleven days, Singer made three key changes in the design: He redesigned the shuttle to make it go in a straight up-and-down line rather than in a circle; he redesigned a straight rather than a curved needle; and he used a spinning-wheel-style foot pedal rather than a hand crank to move the apparatus. The redesign worked.

Because the redesign depended on elements of other sewing machine prototypes, notably those of Elias Howe, Singer was sued for patent infringement. When Howe subsequently won the suit and tried to bar Singer from selling the so-called Singer machine, Singer appealed to Clark. Recognizing the potential profit from such a machine, Clark resigned from the law firm and became Singer's partner in 1851.

Mature Wealth

In 1856, in a groundbreaking settlement devised in part by Clark, all the pending litigants in a variety of patent infringement lawsuits involving the sewing machine agreed to pool their patents into a single corporation, the Sewing Machine Combination, proceed with production, and divide the revenues. As part of the agreement, I. M. Singer & Co., with Clark as half owner, began to mass-produce sewing machines, and by 1860 Singer led the market, with seventy-four factories producing more than 111,000 machines annually.

Although recognized for his brilliant legal maneuverings against a flurry of potentially crippling patent lawsuits Clark also directed the company with remarkable success. Even as Singer's flamboyant lifestyle and high-profile philandering created controversy (he was a bigamist, with more than a dozen children with four or five women), Clark quietly dedicated himself to the company, relocating its principal facilities to New York City, overseeing expansion into foreign markets, and spearheading an aggressive marketing campaign designed to offset conservative, middle-class resistance to a labor-saving machine designed to give women free time. In addition, Clark devised the "hire purchase plan," the first institutionalized payment program. The cost of a new sewing machine represented a $125 investment at a time when the average domestic income was a little more than $500 a year. To alleviate concern, owners could put $5 down and pay as little as $3 a month until the machine was paid off. The results of this plan were phenomenal.

When Clark's patience with attending to the scandals (and the resulting lawsuits) associated with Singer reached an end in 1863, Clark reorganized the company's management, and with brilliant legal maneuvering he bought out Singer, who retired to southern England, but not before inserting a codicil in the settlement forbidding Clark from running the company until after Singer's death. Thus for more than a dozen years, Clark was the de facto president of the company, making most of its marketing and business decisions and overseeing its rise to international success, including opening plant facilities in Europe, Indochina, and South America. Upon Singer's death in 1875, Clark served seven years as the chief executive officer of a company he had been running for close to fifteen years.

His family fortune now estimated at $25 million, Clark began investing in Manhattan real estate projects, notably funding the controversial Dakota apartment building in 1880, a vast and intricate apartment complex for the rich, its scale inspired by Clark's love of the majesty of the American Plains. The building is located in the upper West Side of Manhattan, so far removed from the urban center of New York City that pundits, deriding the construction as Clark's Folly, suggested that Clark should build it out in the Dakota Territory. Each of the structure's sixty-five lavish apartments (some had more than twenty rooms) was individually designed—no two were alike. With its prominent gables and its Renaissance-style balconies and staircases, the complex quickly became an architectural showpiece.

Clark retired from active leadership of the sewing machine company in 1882, although the Clark family maintained controlling interest in the firm and would run it much like a family business for more than seventy years. Clark retired to the beautiful Glimmerglass region of

National Baseball Hall of Fame

Whether redefining the domestic life of American culture through the marketing of the first practical sewing machine; spearheading the revitalization of picturesque Cooperstown, New York, into a vacation destination affordable for the middle class; redrawing the urban landscape of Manhattan; or funding philanthropic causes in support of the arts and immigrant rights, the heirs of Edward C. Clark viewed his fortune as a vast resource integral to the development of the American way of life. It is perhaps no surprise, then, that the Clark family fortune would become entwined with the Great American Pastime.

In 1908, a blue-ribbon committee commissioned by organized baseball determined that the first baseball game in America had been played under the guidance of Abner Doubleday in the fields near Cooperstown in 1839. In 1935, Ford Christopher Frick, the commissioner of baseball, announced ambitious plans for the approaching centennial of the game that would include a hall of fame commemorating the game's best players.

Stephen C. Clark, Sr., Edward's grandson, who ran the resort hotel his family had built in Cooperstown, was gifted with the same marketing savvy his grandfather had possessed. He saw the potential tourist appeal for the museum in Cooperstown, which was reeling in the depths of the Depression. In 1937, Clark, in fact, had purchased a weather-beaten ball supposedly used during that first game (it had cost him $5) and displayed it in downtown Cooperstown, along with other memorabilia from the early days of baseball. That the 1908 commission's findings would eventually be exposed as unreliable did nothing to hinder the enthusiasm with which Clark, using the commission's conclusions, approached the challenge of selling Frick on the idea of putting the museum in the pastoral village setting of Cooperstown rather than the more obvious urban environs of New York or Boston. Frick was won over. Clark deeded a generous acreage of land for the museum and even financed the $40,000 conversion of a dilapidated school gymnasium into the museum facility.

The museum was dedicated on June 12, 1939, with much fanfare; a country weary of a decade-long economic catastrophe embraced the facility, honoring what had become the national pastime. Clark would serve as the museum's president until his death in 1960. The Clark family continued to maintain a presence on the facility's board of directors into the twenty-first century.

By then, the National Baseball Hall of Fame and Museum was the most visited museum of its kind in the world, attracting more than 350,000 visitors annually. In addition to the hall of fame, the museum and its annex (significantly expanded to more than 60,000 square feet) houses more than 165,000 items relating to the game. Its library and research facility catalog more than a half million books, radio recordings, photographs, transcripts, and television broadcasts, all available to the public. Its mission—to preserve history, honor excellence, and connect generations—has made Cooperstown the shrine of America's pastime.

Lake Otsego near Cooperstown, New York, where his wife's family had long ago settled and where the Clark family summered. Although he maintained estates in Paris and Rome, it was the area around Cooperstown that he loved. Much of the Cooperstown area had been decimated by a massive fire in 1862. It was largely the financial resources and the business acumen of Clark that brought the town back to prosperity, restoring its hospital and university, as well as financing numerous other civic projects, including an art museum.

At the time of his death in 1882, Clark left the majority interest in the Singer company, as well as his real estate investments, to his son Alfred. Alfred lacked Clark's business acumen, but, something of an artist (he studied to be a concert pianist), he shared his father's passion for architecture, building concert halls and music schools. Alfred, however, was known primarily for funding struggling artists, setting up generous salaries for life for painters and musicians he deemed worthy, beginning a tradition of philanthropy that the family would continue, notably in undertaking a public campaign to build affordable housing for New York City's burgeoning immigrant population shortly before World War I.

Legacy

The wealth of Edward C. Clark came largely from his facile business acumen. In an era when the well-being and time management of housewives were marginalized and their ability to run any type of machinery dismissed, Clark created a marketing plan designed to bring efficiency and ease within the financial reach of even the poorest households, reflecting his own modest beginnings. Against the wastrel Singer, Clark was a model of unassuming industry, a classic Gilded Age businessman and a conservative family man who never considered wealth as a license for profligate living.

Most important, Clark, despite being one of the dominant figures in the industrial age, never abandoned his love of the land. A product of the Catskills foothills and raised with a profound appreciation for the scale and organization of nature, he married into a family with a long-standing interest in the wilderness made part of the American imagination by author James Fenimore Cooper. Clark invested most heavily in real estate, which he saw as the responsible and wise stewardship of the land.

—*Joseph Dewey*

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See also: Samuel Colt; John Deere; Anthony Joseph Drexel; James Buchanan Duke; Alfred I. du Pont; Cyrus Hall McCormick; Isaac Merrit Singer; William Collins Whitney.

William Andrews Clark

American copper mining and railroad magnate and politician

In building a financial empire in the West during more than thirty years of ruthless business negotiations involving mining, banking, and the railroad, Clark epitomized the aggressive capitalist spirit and unabashed greed of the Gilded Age. Clark, who saw wealth as entitlement to political power, admitted that he bribed Montana lawmakers so he could obtain a seat in the U.S. Senate.

Born: January 8, 1839; Connellsville, Pennsylvania
Died: March 2, 1925; New York, New York
Sources of wealth: Mining; railroads
Bequeathal of wealth: Children; museum

Early Life

William Andrews Clark was born in a log cabin in the coal fields of southwestern Pennsylvania on the outskirts of Pittsburgh. Little is known of his childhood; as his influence grew and his wealth accumulated, he worked to keep his early years from public scrutiny. His parents were first-generation Scottish and Irish immigrants, who, hoping for a better life, homesteaded west to Iowa in 1856, when Clark was seventeen. With little taste for farming, Clark, a bright student, considered a career in teaching.

After completing studies at Iowa Wesleyan College, a small Methodist institution, Clark taught school in Missouri and became interested in law. During his time in Missouri, Clark came to believe deeply in the importance of states rights and of controlling the power of a centralized, federal government. Consequently, he enlisted in the Confederate army at the outbreak of the Civil War, but he either deserted or was discharged in 1862.

First Ventures

Restless and eager to make his mark, Clark headed west to take advantage of the area's mining boom. After briefly mining quartz in Colorado, in 1863 he arrived in Bannack, then the capital of the Montana Territory. He had modest success, earning an estimated $1,500 from his gold discoveries in the area's rivers. He made his initial fortune by developing supply lines to Salt Lake City, and later to St. Louis, in order to outfit mining camps with equipment and food. He then used the capital from this venture to invest in banks that owned the land rights to mining stakes in the vast Montana Territory, and, in turn, he took over the rights to this land when the mining companies went bust. Over the next decade, Clark, gifted with uncanny business savvy and driven by an uncomplicated love of accumulating wealth, expanded into numerous mining operations, as well as newspapers, smelting plants, banks, lumbering and ranching interests, utilities, and railroads.

By the early 1870's, when Montana's gold rush appeared to be over, the territory was electrified by news of a massive copper strike. Given the reach of Clark's holdings and his interest in smelting, the copper strike proved his long-anticipated financial bonanza. By the mid-1880's, Clark and Marcus Daly, who had made a fortune in silver and headed a mining conglomerate, the Anaconda Copper Mining Company, became the dominant financiers (and chief rivals) of the cooper-rich Montana Territory.

Mature Wealth

To Clark, it was natural—even inevitable—that wealth brought political power. Using the influence of his newspapers, Clark emerged during the 1880's as a powerful and charismatic voice for Montana statehood. He chaired two conventions, in 1884 and 1889, where participants worked to draft a state constitution. For Clark, however, politics was always an extension of his own interests. He worked most diligently to secure restrictions on the

The William Andrews Clark Memorial Library

Although William Andrews Clark spent his life focused on accumulating wealth, wielding political clout, and managing scores of industries, his son had far different ambitions. William Andrews Clark, Jr., was born into privilege. By the time he was born in Butte, Montana, in 1877, his father was already among the wealthiest men in the West. Despite living in the relative cultural backwater of the American frontier, young Clark developed a love of music, learning to play the violin, and of poetry and fiction.

With his father's blessing, Clark began living part of each year in the temperate climate of Southern California. It was an exciting place for a young man with unlimited wealth. He acquired prime acreage in Los Angeles and built a lavish showplace mansion. He sought to foster the arts in the young community, single-handedly financing in 1919 what would become the Los Angeles Philharmonic and providing a generous endowment to ensure the orchestra's operations.

It was his book collection, however, that became the focus of his cultural activities. During more than two decades, Clark assembled a wide-ranging collection of first editions, rare books, autographed letters, and original manuscripts of the British writers he loved, including William Shakespeare, John Milton, Geoffrey Chaucer, and later works by Charles Dickens and the Romantics, including William Blake and Lord Byron. Originally pursuing acquisitions that intrigued him, Clark eventually concentrated on two areas: seventeenth century British literature and the works of the Irish playwright Oscar Wilde. His interest in seventeenth century England included collections of music and operas, particularly those composed by George Frideric Handel and Henry Purcell, as well as groundbreaking works of scientific investigation from the likes of Sir Isaac Newton and astronomer Edmond Halley. Clark's fascination with Wilde led him to collect not only manuscripts and letters but also a rich trove of photographs and production notes from several of Wilde's plays, as well as artifacts from Wilde's contemporaries, including William Butler Yeats and John Millington Synge.

In 1924, Clark arranged to construct a library on the prime acreage he had originally purchased. He hired Robert D. Farquar, a Southern California architect schooled in classic European design, who would later help plan the Pentagon outside Washington, D.C. When the library opened in 1926, its lavish French Revival exterior, its magnificent foyer and other ornate interior details, and its beautifully appointed gardens made it a prominent cultural showplace. Even before its opening, Clark had decided that upon his death the library and its priceless collection would be donated in the memory of his father to the newly opened University of California at Los Angeles (UCLA). Long after Clark's death in 1934, that bequeathal remained the most generous in UCLA's history.

In the twenty-first centry, the Clark Library, one of UCLA's twelve libraries, anchors the university's prestigious Center for Seventeenth and Eighteenth Century Studies. The center administers numerous scholarships, fellowships, and endowed professorships; hosts international colloquiums; and sponsors an award-winning series of academic publications. Within the library's spacious study rooms, academics and other patrons pursue original research in the collection of more than 100,000 rare books and almost 25,000 original manuscripts.

amount of money that the federal government could tax mining interests. A fiery orator, Clark sought election as the territorial representative to Congress in 1888, only to lose to a virtual unknown, raising suspicions that Daly had tampered with ballots.

After Montana was admitted to the union in 1889, Clark, a Democrat, ran unsuccessfully in both 1889 and 1893 for a seat in the U.S. Senate. At this time, state legislators chose senators, and when Clark ran again in 1899, the Democratic-controlled Montana legislature selected him, only to have the selection immediately challenged when evidence of Clark's massive bribery came to light. Characteristically, Clark admitted that he had paid hundreds of thousands of dollars in bribes, but he argued that influence peddling was an inevitable part of a democratic system. By the time Clark arrived in Washington, D.C., the Senate had already voted to unseat him. He then attempted a backhanded maneuver to return by relinquishing his Senate seat and, after waiting for the governor to be out of state, having the lieutenant governor, a crony of his, appoint him to fill his own vacated seat, only to have the governor nullify the appointment when he returned. Clark was finally elected on his own in 1901, although accusations of fraud were raised involving the powerful miners' bloc. Clark served a single term in the Senate, distinguished only by his fierce fight against federal government protection of the mineral-rich Western lands.

While in office, Clark still worked to extend his business interests, developing new railroad lines to connect the burgeoning populations in Nevada, Arizona, and California with Salt Lake City, as well as speed transportation of his copper ore. Along with the help of his younger brother, a banker, Clark saw the potential for Western development. In contentious rivalry with other financiers, notably Edward H. Harriman of the Union Pacific Railroad, Clark purchased thousands of acres of ranch land and water rights critical to a transportation system and created a line, the San Pedro, Los Angeles & Salt Lake Railroad, which not only placed him among the wealthiest men in America but also helped guarantee the economic development of the Southwest. Clark is credited with establishing what would become Las Vegas, now the seat of a Nevada county that bears his name. Perhaps Clark's most lasting legacy is Clarkdale, Arizona, founded in 1912 as the site for his vast smelting operations. Clark helped design the town, laying out streets and investing in a cutting-edge communications network of telephones and telegraphs, electricity, medical facilities, and sewer systems, making Clarkdale a prototype of a planned community.

Rich beyond measure, after the end of his Senate term in 1907 Clark left the West entirely and moved to a spacious mansion with more than one hundred rooms on fashionable Fifth Avenue in New York City, where over the next fifteen years he spent lavishly to outfit the house. He also invested in more than seven hundred pieces of European art, ranging from ceramics and tapestries from antiquity to canvases by the Old Masters and French Impressionists. Upon his death in 1925, at the age of eighty-six, his entire collection was bequeathed to the Corcoran Gallery in Washington, D.C., along with a sufficient contribution to construct a wing to house the artworks.

At his death, Clark's fortune was estimated at $200 million. After his wife's death in 1893, Clark financed the career of an aspiring starlet, whose unexpected pregnancy the year Clark was elected to the Senate compelled him to marry her. Although his will bequeathed $2 million to her, the bulk of the estate was distributed among the children of his first wife. The children variously sold the assets and diversified their inheritance. After the demolition of Clark's ostentatious Manhattan home in 1928, little remained of his fortune.

Legacy

Clark had the keen eye of a consummate capitalist entrepreneur. As a first-generation Westerner, he was positioned to take advantage of a frontier culture, with its virtually limitless resources ripe for exploitation and little in the way of regulation to disturb the steady aggrandizement of personal wealth. However, his vast wealth left little imprint. For all his political endeavors, he is remembered in the twenty-first century as a cautionary tale of corruption, specifically for the fiasco of his attempt to get appointed to the Senate after he had resigned. His fortune was made largely from his manipulation of two industries—mining and the railroad. By the time of his death, his mining enterprises were exhausted and the railroad had lost its central economic position. Because he saw wealth only in personal terms—endorsing no charity, endowing no university, and supporting no public cause—his legacy extended little beyond his death.

—*Joseph Dewey*

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See also: Charles Crocker; Marcus Daly; James G. Fair; James Clair Flood; John W. Garrett; Jay Gould; Edward H. Harriman; George Hearst; F. Augustus Heinze; James J. Hill; Mark Hopkins; Collis P. Huntington; John William Mackay; William S. O'Brien; Leland Stanford; William Thaw; Cornelius Vanderbilt; William Henry Vanderbilt.

Cleopatra VII

Egyptian monarch

Cleopatra was the last Hellenistic monarch to rule Egypt, the wealthiest area of the ancient Mediterranean world. The potential of Egypt's vast natural resources and wealth drew the attention of Julius Caesar and Marc Antony, each of whom viewed an alliance with Cleopatra as a means to enhance his own wealth and power.

Born: 69 B.C.E.; Alexandria, Egypt
Died: August 3, 30 B.C.E.; Alexandria, Egypt
Also known as: Cleopatra VII Thea Philopator; Cleopatra Philopator
Sources of wealth: Inheritance; agricultural products; trade
Bequeathal of wealth: Confiscated

Early Life

Cleopatra (klee-oh-PA-trah) VII Thea Philopator was born to Ptolemy XII Auletes, a descendant of Ptolemy Soter, the Macedonian general who assumed rule over Egypt following the death of Alexander the Great. In keeping with ancient Egyptian custom, the members of the ruling Ptolemaic Dynasty promoted themselves as divine, and the young Cleopatra was raised in lavish splendor befitting her status as a goddess. She received an excellent education, learned nine languages, and is said to be the only Ptolemaic ruler to learn the native Egyptian language. As she matured, Cleopatra used her divine status, her fine education and strong linguistic skills, and her limitless and sometimes ruthless ambition to establish herself as sole ruler of Egypt, thereby controlling the resources of the richest area in the ancient Mediterranean.

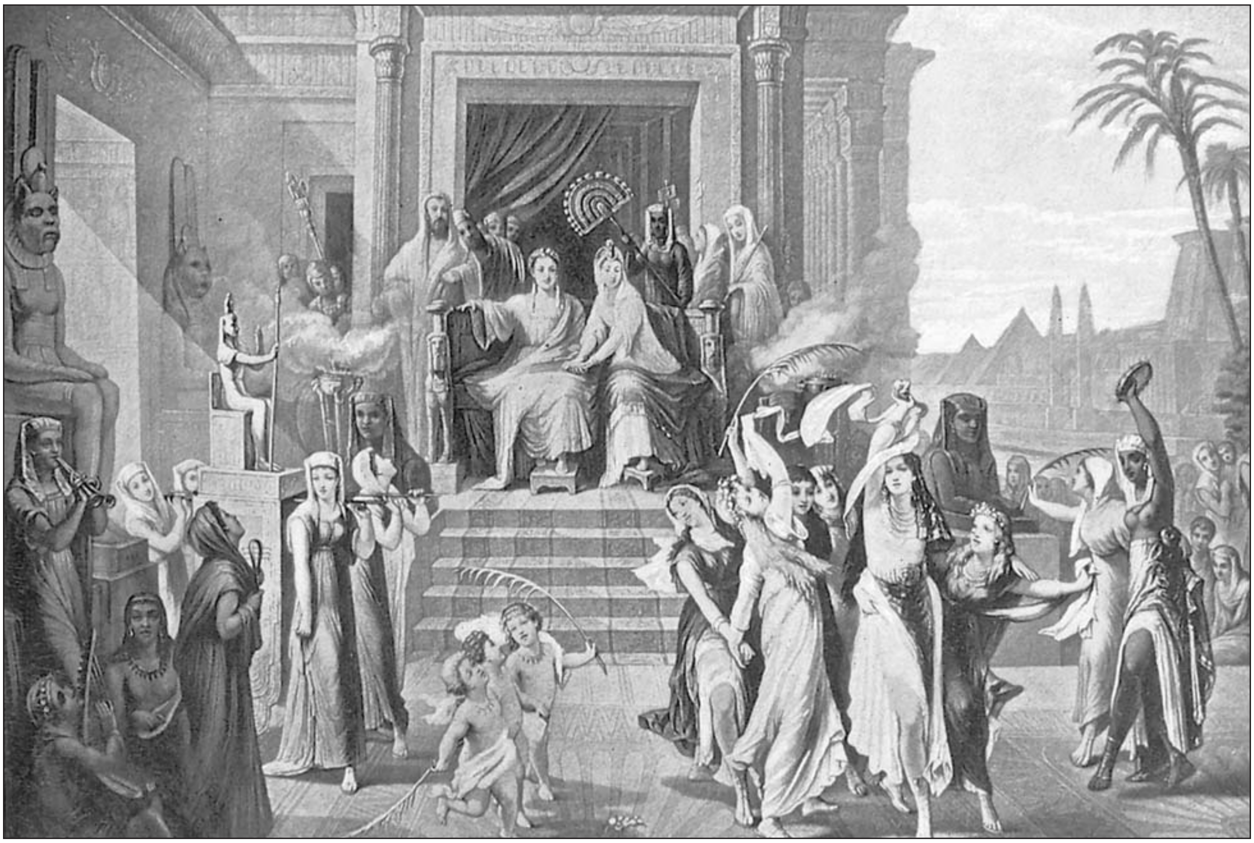
First Ventures

Cleopatra knew well the importance of controlling and manipulating Egypt's vast wealth.

For millennia the Nile River's annual flooding had left rich soil in which crops flourished. Egypt's agricultural abundance provided grain for a significant portion of the peoples of the Mediterranean, earning Egypt the distinction of being the breadbasket of the ancient world. Egypt also had many natural resources, such as flax for oil and linen, stone for construction, papyrus for making paper, salt for preserving foods, and semiprecious stones, such as malachite, carnelian, and amethyst. Egypt's most prized natural resource was gold, which was highly sought after for coinage and jewelry. With its well-developed trade system, Egypt exchanged its produce, goods, and natural resources with far distant lands, thereby increasing the standard of living in all areas, including Egypt itself.

Mature Wealth

Chief among the importers of Egypt's resources was Rome, which by the time of Cleopatra controlled all of the Mediterranean, except Egypt itself. Cleopatra was keenly aware of the tenuous position that Egypt held in regard to Rome; Rome's powerful military machine was capable of conquering Egypt at any time. Cleopatra



The court of Cleopatra VII. (F. R. Niglutsch)

knew it was essential that she maintain Egypt's economic security by continuing trade with Rome, while at the same time preserving Egypt's independence and her own personal power.

When Julius Caesar arrived in Alexandria in 48 B.C.E., the twenty-one-year-old Cleopatra charmed the fifty-two-year-old Caesar with her linguistic skills, intelligence, and lavish display of power. Their close political and personal relationship staved off Roman aggression and benefited the economic status of both Egypt and Rome. When Caesar was assassinated in 44 B.C.E., Egypt's position vis-à-vis Rome was again placed in jeopardy.

In 42 B.C.E., Cleopatra secured another close political and personal alliance, this time with Marc Antony, one of the individuals who came to power in Rome following Caesar's death. Again, Cleopatra used her political expertise and personal charms to win over this powerful Roman leader, thereby holding off a potential Roman military attack on Egypt, and, at the same time, temporarily securing the economic status of Egypt.

Back in Rome, the grandnephew and heir of Julius Caesar, Octavian (the future Emperor Augustus), feared that Antony would use Cleopatra's wealth and power to secure his own dominance over Rome. In 31 B.C.E., Octavian and his forces set sail and met the combined forces of Cleopatra and Antony at the Battle of Actium, where Octavian's forces were victorious. The defeated Cleopatra and Antony retreated to Alexandria, where, a year later, they committed suicide rather than be subject to Octavian.

LEGACY

Cleopatra had used her control over Egypt's wealth in her attempts to stave off Roman aggression and domination. In the end, Rome's determination and military power proved too strong, even against Cleopatra and the wealthiest Mediterranean nation of its time. Upon Cleopatra's death, Rome annexed Egypt and Egypt became Rome's richest province. Throughout its remaining history, Rome used Egypt's agricultural produce, natural resources, and great wealth to sustain its peoples, to extend its boundaries, and to create the largest empire the world had ever known.

—*Sonia Sorrell*

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See also: Amenhotep III.

ROBERT CLIVE

British merchant and military leader

Clive's military success in India laid the foundations for the British Empire's eventual control of that country. Clive became rich as a result of his Indian service, and as news of his wealth spread, the British government became increasingly interested in India, and businessmen and other individuals dreamed of earning a fortune there.

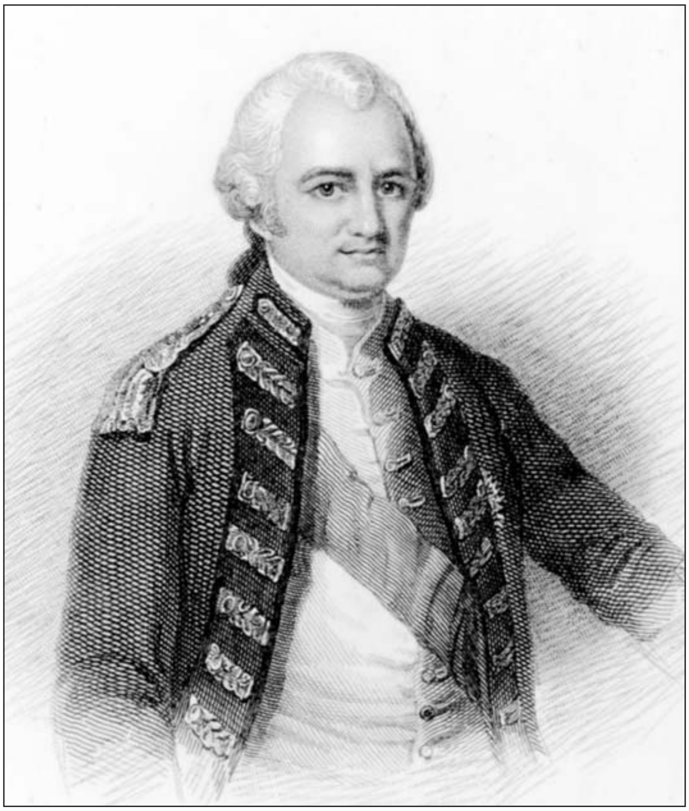
Born: September 29, 1725; Stychei, Shropshire, England
Died: November 22, 1774; London, England
Also known as: First Baron Clive of Plassey; Clive of India
Sources of wealth: Trade; government; conquest
Bequeathal of wealth: Spouse; children

EARLY LIFE

Robert Clive (kliv), son of a minor landowner and lawyer, attended school in Shropshire and in London at Merchant Taylors' School, but he was not a good student. He was a prankster and a troublemaker. He was tall, moody, and sensitive, as well as a daredevil with a fierce temper who loved fighting. He was also, importantly, a lucky person who had numerous close brushes with death throughout his life but survived them all. Clive also suffered from bouts of depression. His father was able to arrange a clerkship for him in the British East India Company (founded in 1600), and in 1743 Clive sailed to India to serve as a writer (clerk) at the British settlement at Fort St. George in Madras (now Chennai).

FIRST VENTURES

At Madras, Clive began to read widely, but he was bored. He reportedly tried to commit suicide, but his gun failed to fire. Two years later, his fortune changed as a result of the British-French rivalry in India. The French attacked Madras in 1746 and captured it. Clive escaped to another British settlement, Fort St. David, where he volunteered for the military and was appointed to the rank of ensign. In 1749, now a lieutenant and an untrained but born soldier, Clive was highly praised for his successful attack on Tanjore. When hostilities ended, the French returned Madras to the British,



Robert Clive. (Library of Congress)

and Clive was appointed steward of Fort St. George, receiving a commission on every supply for the facility. His stewardship made him a very wealthy man.

Clive attained fame when he attacked Arcot in 1751, captured the city, and withstood a siege of fifty-three days. This battle began a series of military victories in south India against the French and their Indian allies. Clive returned to England in 1753, a national hero with a seventeen-year-old wife and a considerable fortune.

Mature Wealth

Clive went back to India in 1756 to become deputy governor of Fort St. David. However, Fort William, the British fort at Calcutta, was captured by Sirāj al-Dawlā, the nawab of Bengal. Sirāj al-Dawlā held 146 British men, women, and children in the fort's guardroom, dubbed the Black Hole of Calcutta. According to some reports, 123 of the captives suffocated during their time in this confined space. The British, determined to obtain revenge and retribution, appointed Clive commander of the punitive force. Clive recaptured Calcutta on January 2, 1757, and took the city of Chandanagar in March. At the Battle of Plassey, on June 23, 1757, Clive defeated Sirāj al-Dawlā, and this victory led to Clive's fame as the founder of the British Empire's control of India.

Following the battle, Clive established the British as the dominant power in Bengal, the richest province in India. He led his ally Mir Jaʿfar to the capital city of Murshidabad, where Mir Jaʿfar was appointed the nawab of Bengal. Clive received £234,000 and the title of *mansabdar* (officeholder), and he was entitled to a rent of £30,000. Overnight, Clive had become one of the richest men in Great Britain. Returning to England in 1760, he purchased two hundred shares of the British East India Company at £500 each and several houses and then returned to Bengal in 1765 to serve as governor for two years. On August 12, 1765, Clive was personally given the grant by the Mughal emperor to collect the revenue of Bengal, Bihar, and Orissa, which, in practice meant he was the government in those areas. This led to the creation of "British India," and the British would expand in all directions to create their empire.

Clive eventually returned to England. Ill, he committed suicide at his London home in 1774 in one of his bouts of depression and was buried in an unknown grave.

Legacy

The wealth that Clive generated in India led the British government to become increasingly interested in this part of the world. The government determined that the British East India Company should hold on to Bengal and its vast wealth, the French should be removed from India, and, if necessary, the British should take over India to safeguard their investments there.

Great Britain eventually created the second British Empire by expanding upon the territory that Clive had captured.

—*Roger D. Long*

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See also: Fateh Chand; Samuel Fludyer.

Jacques Coeur

French merchant, statesman, and financier

Coeur, a fifteenth century merchant, trader, and financier, amassed the greatest fortune ever made by an individual Frenchman. His innovations and business methods had lasting effects on medieval commerce and trade. As a wealthy entrepreneur, he created trade routes in France and opened up French trade with the Levant.

Born: c. 1395; Bourges, France
Died: November 25, 1456; possibly Chios, Greece
Sources of wealth: Trade; inheritance
Bequeathal of wealth: Relatives; confiscated

Early Life

Jacques Coeur (jahk kur) was born in Bourges, France, around 1395. He was the son of Pierre Coeur and Dame Bacquelier, the widow of a butcher. Pierre was a furrier of modest fortune; his marriage advanced him in the society of Bourges, since the Butchers' Corporation was one of the more powerful trade guilds in the city. Jacques's brother Nicolas became archbishop of Luçon, and his sister married Jean Bochetel, secretary to the king. Jacques was educated at the École de la Sainte-Chapelle in Bourges but did not attend university. From an early age, he intended to be a merchant like his father.

In 1418 or 1420, Coeur married Macée de Léodepart, the daughter of the provost of Bourges and former valet of the duc de Berry. The marriage placed Coeur in the top tier of Bourges society. He and his wife had five children of whom there is a record. Two of the children, Jean and Henri, entered the Church, with Jean becoming archbishop of Bourges and Henri appointed canon of la Sainte Chapelle. Another son, Geoffroy, entered the king's service as a functionary; Ravand joined his father in business; and Coeur's only daughter, Perrette, married Jacquelin Trousseau, the viconte de Bourges.

First Ventures

Soon after his marriage and with the aid of his mother-in-law, who had been previously married to a banker, Coeur became a manager of one of the twelve exchange houses of Bourges. In 1429, he founded a coinage business with two associates. He was accused of falsifying the quality of his coins and faced imprisonment. However, King Charles VII granted him a pardon.

In 1432, Coeur made his first trip to the Levant with a group of merchants from Montpellier. There is considerable disagreement among scholars of the Middle Ages as to the purpose of his travels. The trip could have been a spiritual pilgrimage, a diplomatic mission for the duc de Bourgogne, an investigative expedition to scrutinize the Muslims in preparation for a Crusade, or a voyage to establish trade with the Levant. Although Coeur did eventually establish a highly profitable trading business with Levantine merchants, he did so twelve years later; it is not very probable that trade was the purpose of the 1432 trip. However, he did return to France with knowledge he would use to build his vast trading empire.

Mature Wealth

Once back in France, Coeur established a trading company and exchange at Montpellier. He quickly built a reputation as an astute financier and trader. He became involved in the silk industry at Florence, where he had a silk-manufacturing facility. He joined the Arte della Seta, the silk makers' guild. In 1436, Charles VII summoned him to Paris and bestowed the office of *argentier* (master of the mint) on him. Coeur served in this office from 1436 to 1451, having complete control of the ordinances governing the coinage of France. In 1438, Charles VII made Coeur the court banker and a member of the king's council. Coeur also became the collector of the salt tax.

Holding these offices placed Coeur in a most advantageous situation for expanding his business activities and increasing his wealth. He was in contact with all members of the royal court and all of the foreign countries with which France dealt politically and commercially. Consequently, he was able to acquire goods from all regions of France and from many other countries. He became involved in the salt market in the Loire and Rhone Valleys and in the wheat market in Aquitaine, and he imported wool from Scotland. He also began to import spices, cloth, and other products from the Levant. He established a trade circuit which commercially linked the French cities of Paris, Rouen, Montpellier, Lyons, Avignon, and Limoges.

In 1444, he outfitted his first ship for trading with the Levant. By1449, he had a fleet of seven trading ships and had established trading houses and exchanges in major towns in France, including Paris, Montpellier, Marseille, Lyons, and Tours. His trade with the Levant increased his wealth through the sale of merchandise, but, more important, it enabled him to make enormous profits from the differences in the currencies of France and other countries. By 1449, Coeur possessed a fortune whose worth no other individual Frenchman would ever match. He established himself as the creditor of Charles VII and the members of the royal court.

Evidence of his wealth was visible throughout France as he purchased and built private houses and chapels in his native Bourges, in Lyons, and elsewhere. Coeur owned property throughout France. In 1443, he began construction of his *grande maison* (great house) at Bourges. The building was extraordinary for its time both in size and in elaborateness of decoration.

In addition to his involvement in trade and finance, Coeur played a very important role in the affairs of state both in France and abroad. In 1444, Charles VII sent him to the Languedoc as one of the commissioners charged with overseeing the newly established parliament there. In 1448, he visited Pope Nicholas V at the Vatican. While there, Coeur succeeded in bringing about an agreement between Nicholas V and Amadeus VIII (Antipope Felix X), which ended the papal schism.

Coeur's relationship with Charles VII provided many of the avenues that enabled him to attain his great wealth, but it also brought about his downfall. Coeur was favored by both the king and his mistress Agnès Sorel, who was the first of the royal mistresses to exert significant political influence. In 1441, the king granted letters of patent to the Coeur family, which gave it status as nobility. The king placed Coeur in a most influential position in his government. Coeur in return provided assistance, primarily in terms of money, to the king. However, he also assisted the king and his mistress in more private ways. Coeur's son-in-law Jacquelin Trousseau owned the Château Bois-Sir-Aimé near Bourges, where Charles VII and Sorel wished to spend their summers. The residence was in very poor condition, and Coeur paid to have it renovated for the king and Sorel. Coeur was among Sorel's favorites, and he served as her confidant. Given her influence over Charles VII, it is very possible that Coeur owed much to her for the favors he received from the king.

Whatever the case may have been, Sorel's death in 1450 brought about Coeur's downfall. With the death of Sorel, Coeur lost his protection at court, and Charles VII lost the one person who was able to dispel his depression. It was rumored that Sorel had been poisoned, and soon accusations against Coeur as the murderer reached the king. Scholars have clearly established Coeur's innocence and emphasized the extreme jealousy and animosity of the courtiers toward Coeur, an ennobled bourgeois and extremely wealthy upstart to whom most of the courtiers owed large sums of money. Another factor which probably influenced Charles VII was his intense hatred of his son Louis. While Coeur remained loyal to the king, he also had an amiable relationship with Louis.

On July 31, 1450, Coeur was arrested at the Château de Taillebourg. He was charged with treason to the king, poisoning Sorel, practicing alchemy, and financial wrongdoing. He was imprisoned at Poitiers, tortured, forced to admit guilt, and brought to trial with the king's prosecutor Jean Dauvet presiding. Coeur's sentence to

Jacques Coeur Palace

Jacques Coeur began construction of his great house in 1443. He always referred to it as his *grande maison*, a term used in his time to designate an extremely large and richly decorated private house. The house was not called the Jacques Coeur Palace until the Bourges tribunal occupied it in 1820.

Coeur hired the very best builders and workmen to build his house. Colin Le Picard, the king's master builder, was in charge of construction. The firms, workshops, and crews Coeur employed had built the palace of Jean, duc de Berry, and this residence was located near the house where Coeur had lived as a child. Coeur's *grande maison* was elaborately decorated with a profusion of sculptures and carvings of his emblem of hearts and shells, in combination with the fleur-de-lis emblem of the king. Coeur was a very loyal subject of Charles VII, priding himself on his relationship with the king, and he had a large statue of Charles VII on horseback placed inside the entry to his new home.

It took eight years to complete the palace. Coeur himself never lived in the house on a permanent basis, although he did host dinners and celebrations there. His arrest and incarceration at almost the exact moment of its completion prevented him from enjoying this elaborate residence, which was the symbol of his success and wealth. The house, along with all of his other holdings, was confiscated by the government. The palace was returned to the family on August 5, 1457, but was sold for the first time by one of Coeur's grandsons on October 7, 1507. From that time, the palace had several different owners, including Jean-Baptiste Colbert (1619-1683), an influential member of Louis XIV's government, and the magistrates of Bourges. In 1923, the French government purchased the palace and declared it a historic monument. In the twenty-first century, the palace is a national monument open to the public.

death was proclaimed on May 23, 1453, and read to him on June 3. Due to the intervention of Pope Nicholas V, the sentence was reduced to imprisonment until such time as Coeur would manage to pay a fine of 550,000 livres. On October 27, 1454, Coeur escaped from Poitiers, and with the help of his family and others he managed to reach Rome, where he found protection with Nicholas V. In 1456, he left Rome on an expedition supposedly to fight the infidels. Coeur died on November 25, 1456, possibly at Chios, Greece.

Legacy

Jacques Coeur was an outstanding businessman and entrepreneur. His activities as a trader and financier created a trade network within France and also opened up new markets in other European countries and in the Levant. His system of setting up separate companies for his various business ventures was revolutionary for his time. By hiring managers and agents to represent him in exchanges and stores in towns throughout France, he developed a multilevel business organization, which was in a sense a precursor of the modern structure of business. In addition, his enormous wealth sustained France and enabled Charles VII to finance the troops necessary to halt the English conquest. Coeur's *grande maison*, which he had built in Bourges at the height of his success as an entrepreneur, is one of the most beautiful and impressive structures in France. As he amassed his fortune, his influence had an important impact on France, and by consequence the world, in the areas of international trade and business entrepreneurship.

—*Shawncey Webb*

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See also: Louis XIV.

John Colet

British philanthropist, theologian, and scholar

Colet's inherited wealth was primarily significant for the philanthropic manner in which he spent it, which set an important precedent in an era when such benevolence was by no means common. The principal object of his spending was St. Paul's School, a pioneering institution that became a model for many others.

Born: c. 1466; London, England
Died: September 16, 1519; Sheen, Surrey, England
Source of wealth: Inheritance
Bequeathal of wealth: Educational institution

Early Life

John Colet (KAHL-et) was the son of Sir Henry Colet of Wendover, who was a leading member of the Worshipful Company of Mercers, the most powerful of the liveried companies of the city of London at the time. The guild had been established to represent general merchants, but its core membership consisted of dealers in textiles, whose business underwent a boom in the late fifteenth century as fine clothing and linen became increasingly important as a means of displaying status and wealth. Sir Henry was knighted by King Henry VII in 1486 in recognition of his support at the crucial battle of Bosworth Field, in which King Richard III was overthrown. He served two terms as the lord mayor of London in 1486 and 1495.

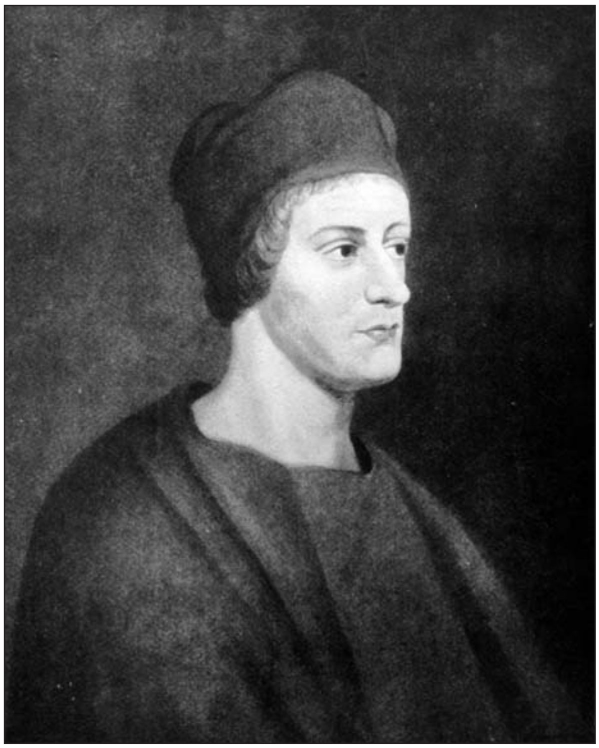
Sir Henry's wife, the former Christian Knyvet, bore him a great many children, although the exact number is not known. The scholar Desiderius Erasmus, who knew and greatly admired "Dame Christian," as well as her son John Colet, recorded the number as twenty-two—eleven boys and eleven girls—but there is no documentary confirmation of that figure. The great majority, at any rate, died in infancy, leaving only two sons, Richard and John, to grow to adulthood.

John Colet's early education included a spell at Saint Antholin's Hospital, but few other documentary details of his youth survive until he went into the Church, which was then a recognized career path for the younger sons of respectable folk. At that time, his older brother Richard was expected to take over Sir Henry's business interests and was regarded as the businessman's heir.

In 1485, Colet became a rector at Dennington in Suffolk, whose living was in the gift of his mother's family, and from 1490 to 1494 he was rector at Thurning in Huntingdonshire, that living being in his father's gift. He traveled on the Continent thereafter, probably as much as a tourist as a scholar, but when he met the celebrated humanist Erasmus for the first time in 1495 he apparently had a change of heart. The subsequent correspondence and friendship of the two scholars extended for more than twenty years. Erasmus evidently made a deep impression on Colet, seemingly galvanizing a religious commitment that had formerly been little more than a useful source of income and transforming it into a genuine vocation.

First Ventures

Colet was ordained as a deacon in 1497 and as a priest in 1498. He was already canon of York by then, and in 1499 he acquired the parish of Stepney, which was then the richest in England. He was said by later commentators to have studied at both Oxford and Cambridge Universities, graduating from Magdalen College, Oxford, in 1501, and obtaining his doctorate in 1504, but again, contemporary documentary evidence is lacking. There is, however, no possible doubt as to the quality of his intellect



John Colet. (Hulton Archive/Getty Images)

St. Paul's School

John Colet founded St. Paul's School in 1509, building the institution on a plot of land north of St. Paul's Cathedral in London. Colet endowed the school with estates that initially provided an income of £112 a year (the sum escalated considerably over time) and appointed the Worshipful Company of Mercers as school trustees. He hired the famous grammarian William Lilye to serve as the first high master at an annual salary of 13 shillings, twice that of the headmaster of Eton College, a British boarding school for boys. St. Paul's was subsequently designated as one of the nine original public schools by the Public Schools Act of 1868, the title referring to the fact that it was supposedly open to anyone.

Initially the school provided accommodation for 153 pupils, that number being determined because of its association with the account in the Gospels of "the miraculous draught of fishes" secured by Peter at Christ's behest. Colet had in mind, of course, Christ's assertion that he would make Peter a "fisher of men," and the school was Colet's instrument for carrying forward that work. Education was provided in "literature and etiquette." The former included the Greek and Latin literature made available within Christendom in association with the Renaissance, whose Aristotelian and Platonic components embraced philosophy and protoscience, as well as the Scriptures and commentary thereon. Etiquette instruction embraced codes of behavior hopefully intended to make civil society more polite, constructive, and, in the most general sense, humanistic. Tuition was free, but the pupils had to pay for their own wax candles—a not inconsiderable expense.

The educational philosophy of St. Paul's School retained the stamp of Colet's ideas for many years after his death, in part because he collaborated with Lilye and other teachers on the perennially reprinted basic textbook that eventually became known, somewhat misleadingly, as the *Eton Latin Grammar.* St. Paul's School survived into the twenty-first century, although it had long since been relocated from the heart of the city of London to a much larger site in the suburb of Barnes.

and education, even if the latter was slightly belated and mostly autodidactic. What is certain is that his prospects underwent a drastic change when his brother Richard died in 1503, leaving Colet and Dame Christian as Sir Henry's joint heirs when the latter died in 1505. Dame Christian, who came from a mercantile family herself, apparently continued to manage the family's business interests and remained a force to be reckoned with in the Company of Mercers, although, as a woman, she was ineligible for membership therein. There was never any question of Colet leaving the Church, and his mother seems to have supported his vocation wholeheartedly.

In 1505, Colet was appointed dean of St. Paul's Cathedral, and his influence within the Church then became considerable. Colet's preaching at St. Paul's gave humanist ideas their most significant platform in England, and his sermons on Paul's Epistles, which attempted to overturn then-conventional scholastic interpretations, became highly controversial. His ideas interacted with those of Thomas More and other important English theologians of the day. However, Colet published very little. Although printing was firmly established in England during his lifetime by his father's fellow Mercer William Caxton, Colet regarded printing more as an asset for education than as a means of preserving his own ideas. For this reason, what survived of his writings was a belated patchwork of oddments, and he left less of an impression behind him than some of his less able contemporaries. His enthusiasm for reform led, perhaps inevitably, to charges of heresy being lodged against him by more conservative clergymen, but he was stoutly defended by William Warham, the archbishop of Canterbury, and was never in any real difficulty.

Mature Wealth

Colet does not seem to have obtained control of his father's fortune when he reestablished St. Paul's School, but when he did begin managing his inheritance he set about employing it in the cause dearest to his heart. There had been a school attached to St. Paul's Cathedral in London since 1103, but it had been used in its early days entirely as a means of training the clergy, and by the early sixteenth century it had fallen into disuse as that role had been taken on by the universities. The school that Colet had in mind was a very different institution, whose primary purpose would be the education of laymen, with a view to extending learning and culture beyond the bounds of the Church establishment, eventually to embrace the whole of civil society—or, at least, its upper strata.

Colet made no attempt to achieve any further promotion within the Church hierarchy, although he became a close ally of the ambitious Thomas Wolsey and did not relax in his reformist agitation while he was part of Wolsey's clique. Colet was chosen to preach the sermon when Wolsey was appointed a cardinal in 1515. Wolsey was influential in having Colet appointed to the privy council of King Henry VIII, who had come to the throne in 1509. Henry thought sufficiently highly of Colet to appoint him as his chaplain for a while, but Colet was a pacifist who steadfastly opposed Henry's French campaigns, and that conscientious opposition eventually proved too much for the king to bear.

Colet began to suffer repeated attacks of what was generally known as "the sweating sickness," or dropsy, in 1517, although the severe attrition the illness inflicted on his physical strength did not bring him to the brink of death until the summer of 1519. Always unostentatious in his dress and frugal in his habits, Colet dutifully made provision in his will for a small grave in the grounds of St. Paul's and a modest commemorative stone. However, his mother, who survived him by four years, was still influential in the Company of Mercers, and the guild eventually paid for the establishment of a much more lavish tomb, which survived the Great Fire of London in 1666 but had to be moved thereafter.

Legacy

Colet's material legacy was, in essence, St. Paul's School and everything it stood for. As a reformer within the Church, he was controversial in his lifetime, and his reputation thereafter was subject to the winds of change associated with the Reformation, which altered direction several times in sixteenth century England. As a pioneer in the educational field, however, his contribution was unchallengeable, and the fact that he spent his money on the values he extolled in his sermons earned him a great deal of well-deserved respect.

—*Brian Stableford*

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See also: Walter de Merton.

Samuel Colt

American inventor and industrialist

Colt's arms manufacturing enterprise earned a fortune, which he and his widow ultimately used for philanthropic and artistic purposes.

Born: July 19, 1814; Hartford, Connecticut
Died: January 10, 1862; Hartford, Connecticut
Also known as: Colonel Colt
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Spouse; charity; artistic patronage

Early Life

Samuel Colt was born in Hartford, Connecticut, the son of Christopher and Sarah Colt. His father was a farmer and would-be silk manufacturer, and his family was financially comfortable. Colt did not do well in school, mostly because he attended more closely to books on scientific and technical subjects than to the regular curricular materials. He became fascinated by guns, gunpowder, electricity, and laughing gas. Some of his youthful experiments with electrically fired gunpowder mines were both spectacular and dangerous. In 1832, at age eighteen, he went to sea. On his first voyage he developed the idea of a repeating firearm with a revolving cylinder. The crucial parts were whittled out of wood; these pieces are displayed at the Colt Firearms Collection at the Museum of Connecticut History in Hartford.

First Ventures

On his return to the United States, Colt persuaded his father to support the development of his invention. Early experiments failed, as Colt tried to deal with the problem of multiple-chamber explosions. He also had trouble making the parts of his revolvers from good quality steel. At one point he was forced to support himself by giving public laughing gas demonstrations, using the name Doctor S. Coult.

In 1835, after further work, Colt, who had by then obtained two patents on his revolver, set up a factory in Paterson, New Jersey. This enterprise failed, but Colt's revolver had not gone unnoticed, and a large order from the Texas Rangers in 1847 enabled him to reestablish his business in Hartford. The business was so successful that he was able to retire his entire debt by 1849. His income enabled him to build a huge factory, as well as a large manor house that he called Armsmear. His success was more the result of his industrial techniques than of his patents. Because of his extensive development of jigs and other manufacturing fixtures to make interchangeable parts, he was able to use semiskilled workers rather than craftsmen to produce his firearms.

Mature Wealth

Colt's employee policies were extremely enlightened by the standards of his time. A significant portion of the company's income was used to provide employee housing, a ten-hour workday, a one-hour lunch break, and rudimentary medical facilities. Even after these expenditures, his arms business was extremely profitable. He traveled extensively; many of his guns were sold to foreign governments, as well as to the United States Army. His company also made thousands of sales to private customers. Colt's income was enormous; when he died in 1862, his estate was valued at $15 million.

Some of Colt's money was used to finance civic projects, including a band, community hall, and other facili-

Samuel Colt. (Library of Congress)

ties. He and his wife, Elizabeth Jarvis Colt, had become patrons of the arts as soon as his company had become profitable. From the outset, their mansion, Armsmear, was intended to be as much museum as private dwelling. It had both public and private rooms, which were richly decorated with commissioned furniture, statuary, Sèvres-style porcelain vases, and paintings. A picture gallery was built, to which the public was given access. A horticultural conservatory also was constructed and was subsequently relocated and rebuilt several times by Elizabeth after Samuel's death. There was, of course, a large arms museum associated with Colt's factory.

Colt was only forty-seven years old when he died, and the bulk of his fortune was managed by his widow, Elizabeth. She continued to support the arts, develop Armsmear, and contribute to Hartford's civic culture until her death in 1905. None of the couple's children survived her death.

Legacy

Colt Manufacturing Company, LLC, the successor to Colt's Patent Firearms Manufacturing Company, continues to survive into the twenty-first century, not quite as grand as it had been during the nineteenth century but still producing profits for its owners. Some of the furnishings and art collected at Armsmear, as well as the large collection of firearms, are under the protection of the Wadsworth Atheneum, the oldest public art museum in the United States. Armsmear itself was converted into a home for Episcopalian women under the terms of Elizabeth Colt's will. Half of the acreage on which Armsmear stood was given to the city of Hartford and is now Colt Park.

Samuel Colt's life and career—and that of his wife—are worth studying for two reasons. One was his gifted development of techniques for mass production and his advanced notions of sound employee relations. The second, and perhaps the more important, was the Colts' dedication of their fortune to public causes, particularly to the fine arts.

—Robert Jacobs

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See also: Alfred I. du Pont; Irénée du Pont; Alfred Krupp; Bertha Krupp; Alfred Nobel; Basil Zaharoff.

Jay Cooke

American investment banker

Cooke has been called "the financier of the Civil War." He led the effort to sell government bonds to pay for the Union war effort. After the Civil War, Cooke became a major backer of the Northern Pacific Railway, until that line's bankruptcy caused the failure of his banking firm.

Born: August 10, 1821; Erie County (now Sandusky), Ohio
Died: February 18, 1905; Ogontz, Pennsylvania
Source of wealth: Banking
Bequeathal of wealth: Relatives; charity

Early Life

Jay Cooke was one of the first children born in a small frontier settlement that eventually became Sandusky, Ohio. His family was prominent in business and politics in Ohio. His father, Eleutheros Cooke, was a lawyer, railroad investor, and real estate speculator, and he served as a member of the Whig Party in the House of Representatives from 1831 to 1833. Cooke began working as a clerk in a local store when he was fourteen years old. In 1836, he went to work in a firm involved with the fur trade in St. Louis, Missouri. When that firm failed during the Panic of 1837, Cooke moved to Philadelphia. He had saved about \$200, and he went into business with other members of his family in the shipping and transportation industries. He worked as a ticket agent for a canal packet boat line and for various railroads.

First Ventures

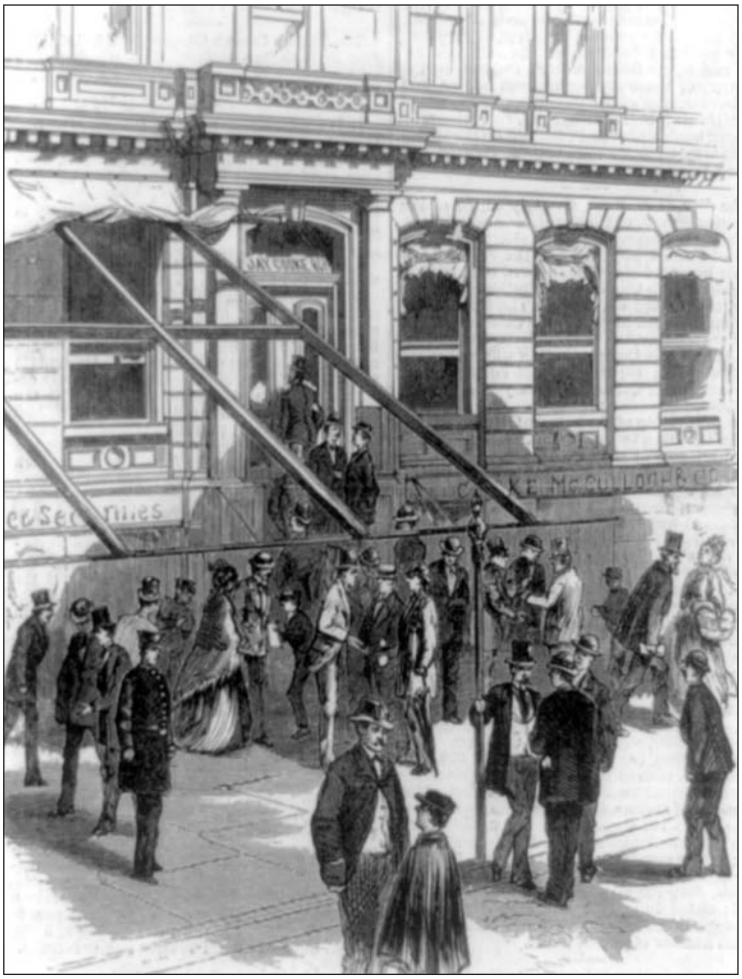
Cooke's entry into the world of banking, where he would make his major mark, was in 1839, when he went to work for the banking house of E. W. Clark and Company, the largest private banking firm in the nation at that time. Clark and Company was heavily involved in railroad promotion and in raising money for new railroad lines being built throughout the eastern United States. While the firm was already large and prosperous when Cooke came to work there, the greatest growth of the company was in the 1840's and 1850's. When the Second Bank of the United States was dismantled as a result of President Andrew Jackson's "Bank War," private firms, such as Clark and Company, became more powerful. The firm also was a major marketer of U.S. Treasury bonds during the Mexican War of 1846-1848. Within a few years, Cooke was promoted to junior partner in the firm. He became known as an expert in valuing the currency issued by various private banks throughout the country and at spotting counterfeit currency. After the Panic of 1857, Cooke left Clark and Company. Over the next few years, he was involved in railroad investments and in the unification of several Pennsylvania canal companies into a single firm. The major source of Cooke's wealth was his banking firm, Jay Cooke and Company, which he opened in Philadelphia on January 1, 1861.

Mature Wealth

Cooke's brother Henry was a good friend of Salmon P. Chase, the former governor of Ohio who became President Abraham Lincoln's first secretary of the Treasury. Chase offered Cooke the position of assistant secretary of the Treasury, but Cooke declined. Later, Chase gave Cooke a contract to sell war bonds for the government during the Civil War. Cooke made such an impressive record selling bonds that in March, 1862, Lincoln suggested that Cooke be made supervisor of all government bond sales.

Cooke is sometimes credited with the invention of the modern war bond drive. He sought to sell bonds to the small investor instead of focusing on the wealthy people who usually made such investments. Cooke believed that patriotic sentiment would lead many middle-class people to make small investments. He sold bonds in denominations as small as $50 and offered credit arrangements for purchasers. At one point, Cooke had more than twenty-five hundred agents selling bonds for him. A large-scale advertising campaign disseminated information about the war bond drive to prospective purchasers. Eventually, other banking firms began to criticize Cooke's virtual monopoly on the marketing of government bonds, and Chase stopped using Cooke as the government's agent. Later, however, when the sale of bonds was declining, Lincoln encouraged William Pitt Fessenden, who had replaced Chase as secretary of the Treasury, to turn again to Cooke. Over the course of the Civil War, the bonds Cooke sold and the bank loans he arranged raised more than $3 billion for the Union war effort.

Cooke had a substantial fortune before the Civil War, but he became much wealthier over the course of the war. The commissions he made for selling government bonds were relatively small—only one quarter of 1 percent—



Jay Cooke and Company's bank during the Panic of 1873. Cooke's bank had invested heavily in the Northern Pacific Railroad. The railroad's bankruptcy resulted in the failure of Cooke's bank and the demise of his personal fortune. (Library of Congress) and he paid the salaries of his staff and the advertising costs out of these commissions. However, his knowledge of how the government would use the money he raised and where purchases would be made allowed him to make extensive investments in firms that were doing business with the government. Such use of insider knowledge was not illegal at the time. By 1870, Jay Cooke and Company had three hundred people working in offices in Philadelphia, Washington, D.C., New York City, and London. By the early 1870's, Cooke's fortune was probably in the range of $7 million to $10 million. With profits from his Civil War bond sales commissions, Cooke built a fifty-three-room, seventy-five-thousand-square-foot mansion on a two-hundred-acre estate in Elkins Park, just north of Philadelphia. He named this home Ogontz for a Wyandot Indian chief whom he had known and admired as a young man. He also purchased Gibraltar Island in Put-in-Bay on Lake Erie, where he built a more modest fifteen-room mansion, which he often favored because of the great fishing in Lake Erie.

When Lincoln was assassinated, Cooke realized that this shocking news might panic investors, who would scramble to sell their government bonds. He sent orders to his agents to buy all government bonds that were offered for sale in order to stem any massive sell-off. He told Fessenden that he would "fully maintain the credit of the nation in this crisis." Lincoln died on Saturday, April 15, 1865. On the following Monday, Cooke walked down Wall Street, buying up government bonds with his own funds; by Wednesday, the bond sell-off was over.

After the Civil War, Cooke became involved in the financing of the Northern Pacific Railway, which was to be built from Duluth, Minnesota, to the Puget Sound region in the Washington Territory. Cooke undertook to sell bonds for the railroad, but the early management of the line was inefficient, and cost overruns were excessive. When the Northern Pacific declared bankruptcy in 1873, Cooke's banking firm also failed, and he lost his personal fortune. In later years, he managed to pay off his debts and acquire a second fortune through various business endeavors, including a gold mine in Utah in which both Cooke and Jay Gould were investors. After leasing his former Ogontz mansion to a girls' school, Cooke built a smaller home nearby and also named it Ogontz. He died there in 1905 after slowly declining health.

The Ogontz School for Young Ladies

When the bankruptcy of the Northern Pacific Railway in 1873 caused the failure of Jay Cooke and Company and eventually led to Cooke's personal bankruptcy, he was forced to sell one of his beloved homes, Ogontz, which was located in Elkins Park, Pennsylvania. Cooke had built this lavish mansion in 1863. A few years after his bankruptcy, Cooke had made a second, albeit smaller fortune through various business ventures, and he repurchased Ogontz. Eventually, he decided he could not maintain both this home and his Gibraltar estate, located on an island in Put-in-Bay on Lake Erie. Cooke arranged for the Ogontz mansion and the surrounding estate to be leased by the Chestnut Street Female Seminary, a finishing school for the daughters of elite families, which had been founded in Philadelphia in 1850. This school moved to Ogontz and was renamed the Ogontz School for Young Ladies. The school leased the Ogontz estate for $15,000 per year and was located there for thirty-four years. The student body was generally from some of the wealthiest families in the United States and averaged around one hundred students per year.

One of the most prominent figures associated with the Ogontz School was Abby Sutherland, a graduate of Radcliffe College who came to Ogontz in 1902. She eventually served as headmistress and president of the school, and in 1912 she purchased the facility from its original owners. Joseph Widener, who owned land next to the Ogontz estate, desired to buy the land from Cooke's heirs, and Cooke's family arranged for Widener to purchase the property. Shortly after buying the Ogontz estate, the Widener family tore down Cooke's original mansion and built another home on the property.

When the Ogontz estate was sold, Sutherland relocated the school to larger facilities in 1916, although the name Ogontz School for Young Ladies was maintained at the new location in the Rydal Park area of Abington, Pennsylvania. Amelia Earhart, who later became a famous aviator, was a student in the first class at this new campus. In 1950, Sutherland decided to close the Ogontz School and made a gift of the Abington campus to the Pennsylvania State University system. By the twenty-first century, this was the site of Penn State Abington.

Legacy

Cooke was one of the first major investment bankers in the United States. Later firms would grow much larger than his, but in many ways, Cooke pioneered the sale of investments to small-scale buyers. He focused on the sale of government war bonds, but later investment bankers would use similar techniques in marketing private stocks and bonds to a broad market of clients. Cooke deserves much credit for helping the federal government tap the wealth of the northern states to finance the Civil War.

While Cooke did accumulate an impressive personal fortune, his career illustrates the volatile nature of the world of high finance. Although he lost his first fortune in the bankruptcy of the Northern Pacific Railway, that line eventually became a major regional railroad, justifying his earlier confidence in its potential.

—*Mark S. Joy*

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See also: George F. Baker; John Insley Blair; William Andrews Clark; Daniel Drew; Anthony Joseph Drexel; Stephen Girard; Hetty Green; Andrew Mellon; Richard B. Mellon; George Peabody; Russell Sage.

Peter Cooper

American industrialist, inventor, and philanthropist

Cooper employed his inventing genius and commercial acumen to establish one of the great industrial fortunes of the early United States. With foresight, he used his wealth for civic and philanthropic ventures, notably founding Cooper Union College of New York City.

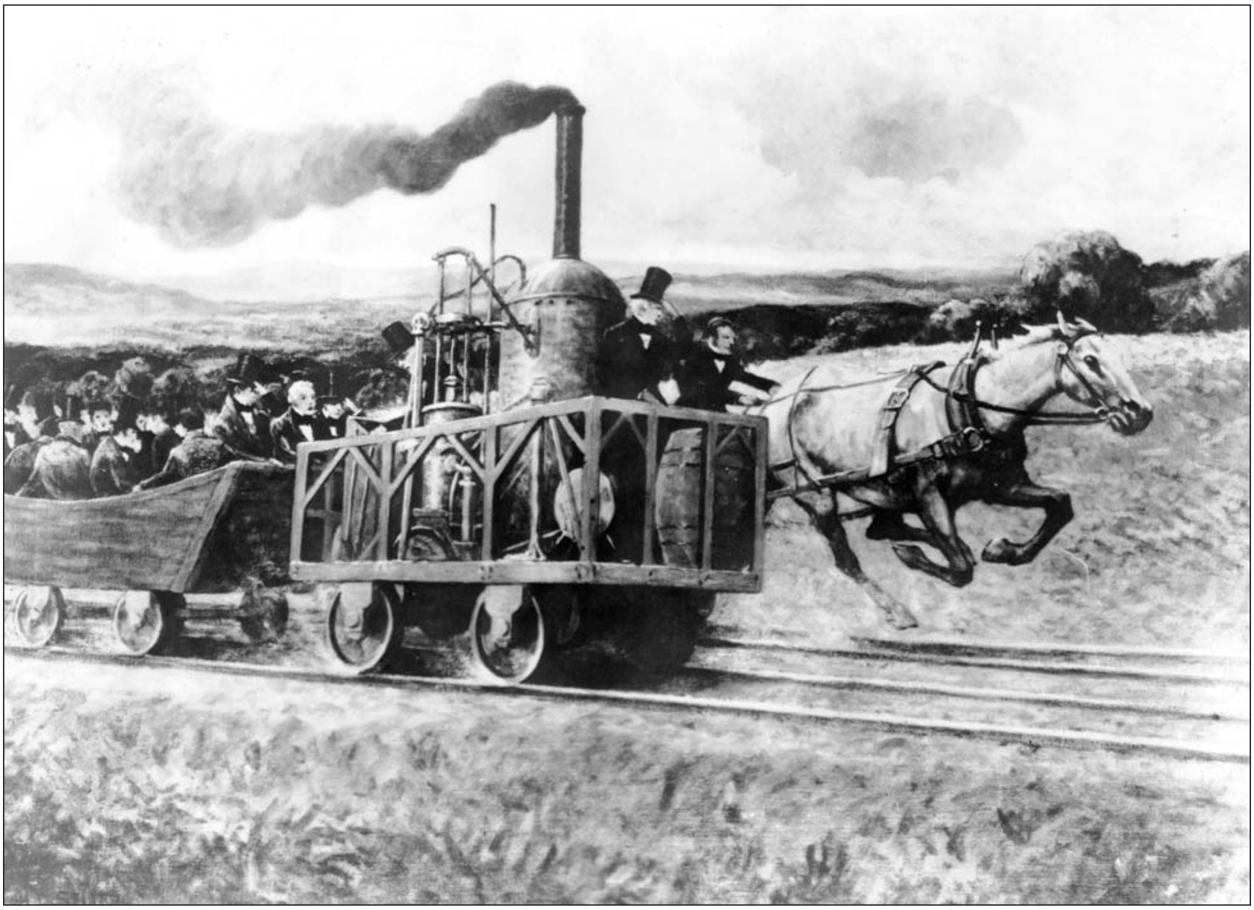
Born: February 12, 1791; New York, New York
Died: April 4, 1883; New York, New York
Sources of wealth: Patents; manufacturing; real estate; investments; steel
Bequeathal of wealth: Children; educational institution

Early Life

Peter Cooper was born in 1791 in New York City, the fifth of nine children of John and Margaret Cooper. When Cooper was a boy, his father moved the family to Peekskill, New York, where John took up a dozen livelihoods as a farmer, shopkeeper, shoemaker, hatmaker, furrier, beekeeper, builder, brewer, and brick maker, among other occupations. The engines of Cooper's future success—mechanical innovation and a shrewd business sense—can be traced to his father's enterprises. However, while John barely made a living for his family, Cooper's ventures would flourish wildly. Although Cooper received little schooling, he tinkered endlessly, his boyhood inventions including a double-wheel washing machine. At seventeen he became an apprentice to a New York City carriage maker.

First Ventures

Cooper's talent for combining mechanical skill with industrial enterprise brought him successive fortunes. Finishing his apprenticeship, he engaged in various ventures. He manufactured a cloth-shearing machine. He opened a furniture shop and a grocery. He bought property and rented out apartments. He patented numerous inventions, including improvements to the construction of steam boilers, marble tabletops, and salt makers. In 1827, Cooper purchased a struggling glue factory with the proceeds from his enterprises. Experimenting with various ingredients, he patented high-quality glues that



Peter Cooper's steam-driven locomotive Tom Thumb races against a horse in August, 1830. Cooper also invented an instant table gelatin that was the forerunner of Jell-O. (Hulton Archive/Getty Images)

could compete with the costly European imports. Capturing the import market, Cooper was soon earning a spectacular income of $100,000 a year.

Cooper added to the factory's success by devising an inexpensive brand of isinglass—a transparent gelatin used in foods—and by inventing and marketing the first instant table gelatin, the forerunner of the fabulously successful product Jell-O.

In 1828, Cooper began speculating in real estate, buying three thousand acres in Maryland near the newly incorporated Baltimore and Ohio Railroad. When the railroad made slow progress, Cooper built a makeshift prototype steam locomotive out of industrial materials on hand—the famous Tom Thumb. After a demonstration drive of Tom Thumb, which showed the potential of railroad steam engines on America's rough terrain, Cooper was able to sell his land at many times the purchase price, acquiring his second fortune. Maintaining meticulous accounts of the growth of his wealth his entire life, Cooper estimated his fortune in 1833 at $123,459, the rough equivalent of $70 million in 2010.

Mature Wealth

By 1846, Cooper had accumulated a fortune of $385,500. In 1837, he built an iron foundry in New York, moving it to Trenton, New Jersey, in 1845 to accommodate its rapid expansion and twenty-five thousand employees. Improving every facet of the iron-making process, Cooper became an innovator in an industry that would make several of America's greatest fortunes: iron- and steelmaking. In 1853, his company pioneered the production of iron rails and lightweight structural iron beams necessary for building New York City skyscrapers. In the 1870's, the company pioneered the open-hearth method of steel production, a process whereby metal is efficiently converted into steel by burning out the impurities in a hearth (basin) heated by a furnace. Out of his profits, Cooper helped finance the laying of the first successful transatlantic cable in 1866.

In 1856, Cooper's real estate and stock holdings were worth more than $1.1 million. His wealth had grown almost tenfold in two decades, and he had become one of the United States' wealthiest industrialists. Cooper, his wife Sarah, and their children lived in a mansion in fashionable Gramercy Park in Manhattan.

Cooper increasingly turned his attention to philanthropic and civic matters. With his belief in scientific progress, democracy, and the benefits of public education, he conceived of endowing a college that would offer a free education to all qualified students, as well as night classes for workers and auditoriums for civic discourse and debate. He purchased a city block at Seventh Street between Third and Fourth Avenues, near the Astor Library and Astor Place Opera House. In 1858, an imposing brownstone building was completed at the site at a cost to Cooper of $630,000. In 1859, the Cooper Union for the Advancement of Science and Art opened to students and laborers alike, regardless of sex, religion, or race. With free tuition and night classes, it was an instant success and a prototype for future American universities. Cooper Union also had a dramatic effect on the political world, when on February 27, 1860, Abraham Lincoln advanced his nomination for president with his brilliant "Cooper Union" address.

While continuing to oversee both his growing industries and Cooper Union, Cooper devoted much of the last quarter of his life to civic activities. Drawing upon a lifetime as a self-made industrialist and ardent democrat, he formed a theory of finance and government, eventually published in his collected works, *Ideas for a Science of*

THE COOPER UNION FOR THE ADVANCEMENT OF SCIENCE AND ART

In the Cooper Union for the Advancement of Science and Art, Peter Cooper founded one of the most innovative educational enterprises in American history. Aware of his own educational shortcomings, Cooper wanted his college to be free to all admitted students. An ardent and practical democrat, he also wanted his school to play a role in the nation's political life and industrial success.

It would be difficult to say that he was not successful. Even before the school opened, the nine-hundred-seat Great Hall of Cooper Union established itself as one of the nation's most important sites for political speech. In February, 1860, the candidate for the Republican nomination for president, Abraham Lincoln, delivered one of his most famous speeches on slavery, which helped propel him to the presidency. Over the next 150 years, the Great Hall auditorium would witness speeches in favor of workers' rights and women's suffrage, as well as the first meetings of the National Association for the Advancement of Colored People (NAACP) and the American Red Cross. Presidential candidates and presidents alike—Ulysses S. Grant, Grover Cleveland, William Howard Taft, Theodore Roosevelt, Woodrow Wilson, Bill Clinton, and Barack Obama—followed Lincoln's example in giving memorable speeches in the Great Hall.

As an educational institution, Cooper Union has been equally successful. Its early years provided wide access to education and established Cooper Union as a model for future American universities. The school was coeducational, making no distinction among races or religions, and free to the children of the working class. Cooper Union offered night classes for laborers and a Female School of Design. Reflecting its founder's practical successes, the school emphasized education that was forward-looking, scientific, and technological, including courses in architecture, electrical engineering, telegraphy, photography, stenography, and oratory. It offered a free library to the public and meeting spaces for artists and inventors. The success of Cooper Union helped inspire Matthew Vassar to found Vassar College for Women in 1861, Ezra Cornell to found Cornell University in 1865, and Andrew Carnegie to launch his various educational institutions.

Throughout its history, Cooper Union continued to provide a top-notch, free education to thousands of students, including inventor Thomas Edison, designer Milton Glaser, "Batman" creator Bob Kane, sculptor Augustus Saint-Gaudens, and Supreme Court Justice Felix Frankfurter. By the twenty-first century, it was organized into three schools—the School of Art, the Irwin S. Chanin School of Architecture, and the Albert Nerken School of Engineering—and it had become one of the most selective colleges in the country, admitting a mere 8 percent of applicants. Located near its original brownstone building in New York's East Village (at Cooper Square and Astor Place), it remains a vital institution in the city's life. Cooper Union celebrated its 150th anniversary on February 12, 2009. Relying on the endowment begun by Peter Cooper, which by that anniversary had surpassed the $600 million mark, Cooper Union continues to offer a full-tuition scholarship to every admitted student.

Good Government (1883). Cooper's proposals rested on a theory of currency, which he believed had to be placed at the service of labor and the business cycle rather than affixed to a rigid standard of gold. In 1876, Cooper ran for president on the Independent Party, better known as the Greenback Party. His platform relied on "financial reform and industrial emancipation," but its heart was the replacement of gold-backed currency by legal-tender dollars, or greenbacks, backed by the credit of the U.S. Treasury. His ticket received fewer than 100,000 votes nationwide, but the twentieth century would see the United States adopt a flexible, fiat currency that resembled Cooper's ideas.

Sarah Cooper died in 1869, and Cooper died in 1883. Their son Peter assumed much of the management of the ironworks. Their daughter Amelia married Abraham Hewitt, who was wealthy in his own right and would serve as mayor of New York City from 1887 to 1888. In Cooper's lifetime, he had endowed Cooper Union with some $1,550,000. In his will, he bequeathed the college an additional $155,350. He also left trusts of $250,000 for the benefit of his children and $350,000 for the benefit of his grandchildren, with the remainder of the trust eventually to be transferred to Cooper Union.

Legacy

Peter Cooper's riches were the result of his many talents. He was a brilliant inventor who enriched the world with gelatin, industrial glues, and a prototype steam locomotive, among other inventions. He turned his best ideas into successive fortunes, demonstrating acumen both as a manufacturer and as an iron and steel industrialist—the most successful in nineteenth century New York. He remained unpretentious and practical. His greenback advocacy was not that of the wealthy eastern establishment, but, Cooper believed, of the common man looking for entrepreneurial opportunity free of debt and a slavish mercantilism. Most of all, in establishing Cooper Union, he showed that for a man of great wealth to be esteemed in American history, he had to be as imaginative and fruitful in bestowing his fortune as he had been in acquiring it.

—Howard Bromberg

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See also: Andrew Carnegie; Samuel Colt; George Eastman; Thomas Edison; Harvey Firestone; Edwin Herbert Land; Samuel F. B. Morse; Isaac Merrit Singer; George Westinghouse.

First Earl of Cork

British aristocrat, landowner, and investor

The first earl of Cork assembled an enormous estate in the southern Irish province of Munster during the late sixteenth and early seventeenth centuries under the English government's official plantation scheme. Using his position within the Irish administration, many of Boyle's gains were illicit and exemplified the rapaciousness of English colonization in Ireland.

Born: October 13, 1566; Canterbury, Kent, England
Died: September 15, 1643; Youghal, County Cork, Ireland
Also known as: Richard Boyle (birth name); Richard Boyle Cork
Sources of wealth: Government; real estate; trade
Bequeathal of wealth: Children; relatives

Early Life

The first earl of Cork was born Richard Boyle in 1566, the second son of Kentish landowner Roger Boyle and his wife Joan (née Naylor) Boyle. Beginning in 1583, Boyle attended Corpus Christi College at Cambridge University and then worked at Middle Temple, London, as a clerk to complete his legal training. At Middle Temple, Boyle gained the confidence of a family friend, Sir Edward Waterhouse, chancellor of the Irish exchequer. Waterhouse was also a chief proponent of settling the Irish province of Munster with English landowners in response to the Desmond Rebellions against English rule (1569-1573, 1579-1583). Through Waterhouse, and with reportedly forged documents, Boyle first traveled to Ireland in 1588, gaining a position as deputy escheator under the patronage of Geoffrey Fenton. In this official position, Boyle was responsible for the valuation, distribution, and sale of recently confiscated Irish estates in Munster. The Tudor policy of confiscating lands owned by Irish lords in rebellion against the Crown and using these lands as plantations for English settlers arose at the same time that Boyle entered government service.

First Ventures

As deputy escheator Boyle dealt with a specific area of confiscation policy known as "concealed lands" that was then under review by the English administration in Dublin. Although plans for the Munster plantations had evolved before Boyle's arrival in Ireland, the complex systems of landholding and legal title among the Irish and the assessment of land values delayed settlement ventures. The primary impediments to settlement were issues about how much land the Irish lords actually owned, under what terms, and its exact worth. Litigation brought by Irish landowners against confiscation clogged the Dublin courts through the 1580's and 1590's. In sifting through the claims, valuations, and boundaries of the approximately 300,000 acres considered to be forfeited to the Crown, Boyle became very familiar with the most productive and fertile regions of Munster. Without hesitation he claimed some of the best lands for himself, and he handed out other claims to friends and associates—for a charge—through the early 1590's. These initial and illegal land claims, though not without numerous investigations of corruption later, secured Boyle's future wealth and enabled him to develop his properties and buy out other English claimants in Munster.

Mature Wealth

To further secure his property, Boyle married Joan Apsley in November, 1595. Boyle's father-in-law, William Apsley, held title to lands near Limerick, of which his daughter was coheir. By the time of his marriage, however, the plantation system in Munster and its administrators were under investigation by the English authorities. Boyle was among those accused of corruption and abuse of power. Boyle was arrested and imprisoned briefly in 1596, but he was released through his growing network of patrons and associates. No charges were brought against him. Disgraced, and with his wife Joan recently deceased after giving birth to a stillborn child, he returned to London and worked for Sir George Carew, the newly appointed lord president of Munster. On Boyle's return to Ireland in 1600 with Carew, he secretly received notice that Sir Walter Ralegh's lands in Munster were up for sale. Taking advantage of the fact that Ralegh needed cash rapidly, Boyle paid £1,500 for some forty-two thousand acres that included County Waterford and most of County Cork, with the majority of the down payment coming from the dowry in Boyle's second marriage, to Catherine Fenton, daughter of his first patron in Ireland. Boyle's second marriage provided him not only with a dowry for a down payment on Ralegh's estate but also with future heirs—seven sons and eight daughters. With this legal purchase of Ralegh's Irish estate, Boyle consolidated his holdings into a small empire across southern Ireland that was valued at some £30,000 per year. For his assistance to Carew, Boyle was knighted on his wedding day in July, 1603.

After his marriage, Boyle placed all his energy into cultivating new patrons and political relationships as added insurance against future claims against his lands and titles. To further secure his claims, Boyle made contacts within the new Stuart Dynasty. In 1605, Boyle was given complete title and control of all his property by King James I.

Boyle used the labor of experienced English and other European settlers in Ireland to develop fisheries along rivers and the country's southern coast, to mine iron, and to create iron foundries. On his newly enclosed estates, cattle rearing; glassmaking; brewing; the production of cheese, cloth, wool, and leather; and his orchards and horse and deer farms enhanced his efforts to turn Munster into a highly profitable and industrious little England. In order to facilitate trade and to export the produce of his estates, Boyle developed the port town of Youghal in County Cork. Southern Ireland's increasing trade connections with English and other Atlantic port cities, such as Bristol and Bordeaux, France, and the area's growing role in supplying food for ships bound for the English colonies in America, all served to expand Boyle's fortune. Boyle succeeded in attracting some four thousand English settlers, many of them skilled tradesmen, to his expansive holdings. By 1641, nearly a third of the estimated twenty-two thousand English-born persons residing in Munster lived on Boyle's property. In addition, he developed several towns, including Bandon, Mallow, and his personal estate lands at Lismore in County Cork, to facilitate local markets and industry. During the 1630's, Boyle spent about £30,000 to purchase English estates in Dorsetshire.

Boyle also invested his time and wealth in political appointments in Ireland and England. He was elected to the Irish parliament and then to the Irish privy council in 1613. These appointments provided him with fruitful contacts among the new Anglo-Irish planter class and with members of the English aristocracy, notably the

English Plantations in Ireland

The English plantations in Munster in the late sixteenth century and in Ulster in the early seventeenth century paralleled the settlement of Virginia and later the Massachusetts Bay Colony, as the British historically considered Ireland a template for other colonization ventures. The plantation system had evolved from several attempts by the English crown, beginning in the twelfth century, to control and pacify Ireland. In the sixteenth century, the granting of noble titles to Irish lords and official recognition of their lands, a policy known as surrender and regrant, produced neither peace nor security in Ireland.

During the Desmond Rebellions against English rule (1569-1573, 1579-1583), English authorities decided on a harsher course of action: the complete forfeit and confiscation of the estates of Irish landlords who participated in the rebellions. In the context of England's ongoing war with Spain, Ireland was viewed as a backdoor to England. Catholic Spain delivered funding and soldiers for Catholic Irish lords battling their English adversaries in 1579, 1595, and 1601. From this broader European perspective, English officials viewed the new Irish plantation policy as both politically sound and financially expedient. The immense bureaucracy that emerged to administer these plantations afforded individuals the chance to profit rapidly in land deals, investment schemes, or graft, and one of the most noted opportunists was Richard Boyle, the future first earl of Cork.

Queen Elizabeth I and her administration began granting lands in Munster to English settlers in 1585. These settlers, also known as undertakers, were often English military veterans in Ireland; poet Edmund Spenser and future American colonizer Sir Walter Ralegh both were rewarded with claims in Munster. The undertakers were limited to holding twelve thousand acres, and they paid no Crown rent for three years and no customs duties. The undertakers were to colonize their newly acquired lands with English-born settler-farmers who would double as a militia. By 1598, some four thousand English had settled in Munster, well short of the projected twelve thousand. The final goal of these plantations was a civilizing mission to assimilate the native Irish into English culture, society, and the Protestant religion.

The reality of the Munster and Ulster plantations was quite different from the theoretical policy. In both places, substantial numbers of Irish tenants remained on the undertakers' properties. However, the development of towns, roads, and ports and the exploitation of natural resources, such as timber, coal, iron ore, and fishing, completely changed the Irish landscape within a generation. The plantation system did succeed in producing immense profits for a small number of landholders, including Boyle, in introducing small-scale industry into Ireland, and in increasing trade contacts for Irish agricultural products with England, Europe, and the Americas. However, the final goal of the plantation system—anglicizing the Gaelic-speaking Catholic Irish population—met with very limited success and fed Irish resentment against English rule into the twentieth century.

first duke of Buckingham, a favorite at the royal court. Boyle's goal was twofold: He sought to secure his holdings in Munster through political friendships and to find suitable spouses for his eleven surviving children. Boyle earned a new patent on his Munster estate in 1614, and he then purchased two noble titles for himself—Lord Boyle in 1616 and earl of Cork in 1620—for the estimated cost of £4,500. He also procured the title viscount of Dungarvan for his heir. Boyle allocated portions of his growing fortune for public and private loans to the English government, and these loans to the cash-strapped Stuart regime halted further court action against his landholdings. By 1629, Boyle also held the posts of Lord Justice of Ireland and Lord Treasurer, and he was promoted to the English privy council in 1640.

In the last decade of his life, Boyle confronted the greatest challenges to his estates, first from Thomas Wentworth, Lord Deputy of Ireland, and then from the native Irish during the Irish Rebellion beginning in 1641. Boyle's heir Sir Lewis "the Valiant" Boyle was killed in military action in 1642. During his later years, Boyle composed a defensive and providential autobiography, *True Remembrances* (1623), on his rise to power in Ireland. On his death in 1643, Boyle's son Roger, Lord Broghill, assumed control of the estate.

LEGACY

The most visible part of Boyle's legacy was the economic development of Munster and the creation of a permanent area of English settlement in Ireland. Although much of this achievement rested on Boyle's exploitation of his political connections and the native Irish population, Munster was the most commercially and agriculturally developed region in Ireland through the eighteenth century. Much of Boyle's energy and funding went toward his children's education and their suitable aristocratic marriages. Boyle's heirs would influence English and Irish politics, as well as British arts and sciences. His daughters Catherine, Lady Ranelagh, and Mary, the countess of Warwick, were both noted intellectuals, as was their youngest brother, Robert Boyle, a scientist and founding member of the Royal Society during the Restoration period. Boyle's second son, Richard, the second earl of Cork, was made an English peer. Several of Boyle's daughters married into aristocratic English families in Ireland, providing ancestral ties to Munster properties and Irish politics; the descendants of these marriages dominated the Irish parliament into the eighteenth century. Among the other beneficiaries of Boyle's career were his brother John Boyle and three male cousins, all of whom he assisted in gaining appointments in the established Church of Ireland in the 1620's.

Boyle was a patriarch who kept a tight hold over his properties, his children, and his growing network of in-laws. Although he has been rightly described as a "buccaneer," he was a caring father and husband. The funerary memorial to his second wife Catherine at St. Patrick's Cathedral in Dublin, and his letters to his children, indicate a compassionate man and contradict what his numerous detractors wrote about him during his lifetime.

—*Tyler T. Crogg*

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See also: Bess of Hardwick; Francis Drake; Sir Thomas Gresham; Sir Horatio Palavicino; Sir John Spencer.

Federico Cornaro

Italian merchant, landowner, and aristocrat

Cultivating sugarcane in Cyprus and processing and selling sugar from his commercial base in Venice, Cornaro became rich as the world's first sugar magnate.

Born: c. 1335; Venice (now in Italy)
Died: 1382; Venice
Sources of wealth: Agricultural products; trade
Bequeathal of wealth: Spouse; children

Early Life

Federico Cornaro (feh-deh-REE-koh kohr-NAH-roh) was born to Nicolò Cornaro in early fourteenth century Venice. The Republic of Venice was emerging as the leading commercial port of the Italian city-states; it would soon boast the wealthiest and most dynamic economy of early Renaissance Europe. The Cornaro family was one of the patrician families of Venice, tracing its roots to the famous Cornelli family of classical Rome.

First Ventures

In the late Middle Ages, sugar had become one of the most desired commodities in Europe. Cornaro and his brothers Fantino and Marco entered the sugar trade, establishing commercial contracts with the kingdom of Cyprus, the leading producer of sugar in the Mediterranean. Venice had long had commercial contacts with Cyprus. Around 1360, Cornaro acquired a century-old palace in St. Luke's square on Venice's Grand Canal, in which he hosted the future Albert III, Duke of Austria, during Albert's visit to Venice in September, 1361.

In December, 1361, King Peter I of Cyprus came to Venice to seek aid against the advancing Turks. At the request of Pope Innocent VI, King Peter stayed in the Cornaro palace. In 1365, Cornaro provided the large sum of 60,000 gold ducats to King Peter. In exchange, Cornaro received the Piscopia peninsula on the island of Cyprus as a tax-free fiefdom. Cornaro was also knighted with the Cyprus Order of the Sword and allowed to install the Cypriot royal lion in the Cornaro coat of arms.

Mature Wealth

With a brother stationed in Cyprus and another in Venice, Cornaro was able to take full advantage of his sugar concession. Employing their Venetian wealth, the Cornaro brothers reorganized the sugar industry of Cyprus. They imported a skilled workforce, built new sugar mills, irrigated the sugarcane fields, and improved industrial techniques for processing the sugarcane with immense sixteen-hundred-pound copper kettle boilers. As a result, they were able to manufacture a superior and less expensive sugar product for the tables of Europe. In addition to his sugar monopoly, Cornaro was later granted monopolies in Cyprus's salt and cotton in partial repayment of his loan to King Peter, allowing him to dictate prices in all three commodities.

In 1379, the Venice tax assessments recorded Cornaro's wealth at 150,000 ducats. He was the wealthiest Venetian citizen, and given the commercial prosperity of Venice, he may well have been the wealthiest European merchant of the fourteenth century. Cornaro solidified his status by seeing that his son Pietro married into the Cypriot royal family. Cornaro also assumed several diplomatic posts in Venice. In 1381, he donated a portion of his fortune to support Venice in its wars against Genoa.

Cornaro died in 1382, leaving his vast estate to his wife Bianca and his sons Pietro and Giovanni. In his will, Cornaro requested that he be buried in the Basilica of Sancta Maria Gloriosa dei Frari. His son Giovanni complied with his wishes, building the Cornaro-Piscopa Chapel with a magnificent statuary monument to his father.

Legacy

In the late medieval period, the great merchants of Europe were no longer the itinerant peddlers of earlier centuries but were ship owners and traders operating on routes that connected the great cities of Europe. Federico Cornaro was one of the most successful of these early entrepreneurs. With his brothers, he centralized the processing of sugar, producing the raw sugar on Cyprus, refining it in Venice, and selling it on European trading ships. Receiving a fiefdom on the Piscopia peninsula of Cyprus, Cornaro is considered the progenitor of the distinguished Piscopia branch of the Cornaro family. Among his famous descendants are Cardinal Patriarch Federico Cornaro (1579-1653), who served as the patriarch doge of Venice, and Elena Cornaro Piscopia (1646-1684), the first woman in history to be awarded a doctorate of philosophy degree. The Cornaro-Piscopia Palace, later named the Loredan Palace, was described by the renowned English architectural critic John Ruskin as one of the "loveliest" in Venice, with a "grace almost unrivaled." This building has been incorporated into the Venetian government municipal center.

—*Howard Bromberg*

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See also: Miguel de Aldama; Ridolfo de' Bardi; Manuel Calvo; Francesco Datini; Claus Spreckels.

Bernard Cornfeld

American financier

Cornfeld established Investors Overseas Services (IOS), the largest mutual-fund sales organization outside the United States. However, his improper management of the company and battles with the Internal Revenue Service led to his imprisonment and the loss of much of his wealth.

Born: August 17, 1927; Istanbul, Turkey
Died: February 27, 1995; London, England
Also known as: Benno Cornfeld (birth name); Bernie Cornfeld
Sources of wealth: Financial services; investments
Bequeathal of wealth: Children

Early Life

Bernard Cornfeld was born in Turkey, and his parents immigrated to the United States when he was three years old. The family eventually settled in Brooklyn, New York, where Cornfeld attended public schools and graduated from Abraham Lincoln High School. After graduation, Cornfeld served two years in the U.S. Maritime Service. In 1947, he was successfully treated for stuttering, a problem he had had since childhood. He enrolled at Brooklyn College, where he majored in psychology and graduated in 1950.

First Ventures

Afer graduation, Cornfeld took odd jobs. He drove a taxicab for a while, and in 1954 he spent nine months in Philadelphia working as a youth counselor for B'nai B'rith. Cornfeld's next job was selling mutual funds for Investors Planning Corporation in Philadelphia. He recommended that the company expand overseas, but after company officials declined his advice, Cornfeld left the firm and sailed for France, where he explored opportunities to sell mutual funds abroad. As a result of this trip, Cornfeld created his own mutual-fund sales organization, Investors Overseas Services (IOS), in 1955. Three years later, he moved his company from Paris to Geneva, Switzerland, and in 1960 he registered IOS in Panama. In 1965, Cornfeld purchased Investors Planning Corporation, for which he had once worked. Many of his business operations were beyond the surveillance of any country and outside the reach of many regulators.

Mature Wealth

Cornfeld's company, IOS, became the largest mutual-fund sales organization outside of the United States and channeled hundreds of millions of dollars into American mutual funds. IOS expanded to include an insurance company, real estate interests, and offshore investment funds.

However, the Securities and Exchange Commission (SEC) investigated IOS and accused Cornfeld of breaking American laws governing mutual funds. He and the commission settled out of court in 1967. Cornfeld agreed to cease his operations in the United States and to limit his investments in American mutual funds.

Before IOS's implosion in 1970, when its stock dropped from $18 to $2 per share, Cornfeld's personal wealth was about $100 million, and the company had an estimated value of $2.5 billion. The board of directors of IOS forced Cornfeld from the company. Robert Vesco, the new head of IOS, embezzled $224 million from the company and fled to the Caribbean. Vesco later served thirteen years in a Cuban prison for producing and marketing a "miracle" cancer drug without the government's knowledge.

In the early 1970's, a group of about three hundred IOS employees informed Swiss authorities that Cornfeld and company cofounders had pocketed part of the proceeds of a stock issue raised by employees in 1969. As a result, Swiss prosecutors in 1973 charged Cornfeld with fraud, and he was arrested while on a visit to Geneva. He served eleven months in a Swiss jail before being freed on a bail surety of $600,000. Cornfeld always maintained he was innocent of the charges, blaming the fraud

Bernard Cornfeld. (Hulton Archive/Getty Images)

on other IOS executives. His trial eventually took place in 1979 and lasted three weeks, with the judge finally acquitting him.

Cornfeld spent the rest of his life fighting the U.S.Internal Revenue Service (IRS) after the agency accused him of improprieties regarding his tax payments. In 1976, a California court convicted Cornfeld of employing an illegal device to make long-distance telephone calls without charges. Creditors seized his Beverly Hills estate. In 1990, *Forbes* magazine reported that Cornfeld still owed the IRS $15 million.

From his Swiss castle, Cornfeld began planning a comeback and continued speculating on various international business operations. In 1994, he suffered a stroke shortly before Christmas and did not recover. His friends helped pay his medical expenses after he died on February 27, 1995.

LEGACY

Cornfeld helped popularize mutual funds as an investment option. His mutual-funds sales company, Investors Overseas Services, was worth $2.5 billion before its 1970 collapse. He created the first mutual funds to offer check-writing privileges and the first offshore funds that invested in American mutual funds. His improper business practices, however, eventually eclipsed his accomplishments, destroying both his business and his reputation.

—*Anita Price Davis*

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See also: Carl Icahn; Charles E. Merrill; T. Boone Pickens; Charles R. Schwab; George Soros.

JAMES CRAGGS

British landowner and politician

Craggs amassed a fortune through his financial ability and connections with leading British politicians and generals. His career demonstrates the corruption of early eighteenth century British politics.

Born: baptized June 10, 1657; Wolsingham, Durham, England
Died: March 16, 1721; London, England
Also known as: James Craggs the Elder
Sources of wealth: Government; investments
Bequeathal of wealth: Children; government

EARLY LIFE

James Craggs was born in 1657, the son of Anthony Craggs and his wife Anne. Young Craggs attended a free grammar school in Bishop Auckland. When the family was forced to sell its property, Craggs was thrown back on his own resources. After he had become wealthy and powerful, Craggs's many enemies mocked his early poverty and charged that he had been a footman.

Arriving in London in 1680, Craggs served several noblemen. In 1684, he married Elizabeth Richards, the daughter of a corn merchant, who may have been a domestic servant to Sarah Churchill, who later became the duchess of Marlborough. Whether the connection was through Elizabeth or not, Craggs made his fortune through his ties with Sarah and her husband, John Churchill, who later became the first duke of Marlborough.

FIRST VENTURES

Craggs laid the foundation for his immense fortune when he was private secretary to John Churchill. Craggs speculated in contracts to supply clothing to the British army, then fighting the Wars of the League of Augsburg (1689-1697). He was briefly held in the Tower of London for failure to supply the Parliamentary commissioners of public accounts with information regarding alleged improprieties in his administration of the clothing contracts. He also took a large bribe from Sir Thomas Cooke, the head of the British East India Company. The company was then engaged in a desperate struggle to maintain its monopoly over English trade with India, and Craggs was influential enough to be a valuable asset to the firm. Craggs maintained his connection with the British East India Company into the eighteenth century, serving as a director and negotiating the merger of the old and new companies.

MATURE WEALTH

Like his patron Marlborough, Craggs benefited from the War of the Spanish Succession (1701-1714). He served as secretary to the master-general of the ordnance and the clerk of the deliveries of the ordnance. Craggs was also elected to the House of Commons, where, like his patron Marlborough, he eventually allied with the Whig Party ministers. In addition to looking after his own and Marlborough's interests, Craggs worked to advance the political and diplomatic career of his only surviving son, also named James Craggs (1686-1721). In 1709, Craggs had his portrait painted by Sir Godfrey Kneller, the favorite portraitist of the Whig elite.

When the Whigs were replaced by the Tories, Craggs continued to function as an intermediary between Marlborough and the new ministry. However, as relations between Marlborough and the Tory cabinet deteriorated, Craggs also became politically marginalized, losing his parliamentary seat in 1713. Craggs continued his political alliance with the Whigs, particularly Marlborough's son-in-law Charles Spencer, third earl of Sunderland. When Queen Anne died in 1714 and was succeeded by George I, the Whigs came back into power, and so did Craggs. Craggs received the lucrative position of joint postmaster-general in 1715.

Both Craggs and his son were deeply involved in the activities of the South Sea Company, a firm established to help manage Great Britain's national debt after the War of the Spanish Succession. Occupying a position between the business and governmental worlds, the elder Craggs was a leader in the scheme to convert government debt into South Sea stock and in efforts to bail out the company when its stock began to fall in late 1720. An inquiry revealed that he and Sunderland had received large bribes of stock, for which they had not paid. Adding to Craggs's troubles was the death of his son on February 16, 1721, which had a devastating impact on him. Craggs himself died a month later; his death was widely rumored to be a suicide. His estate was fined £68,920 as compensation for his role in the South Sea "bubble."

LEGACY

At his death, Craggs's estate was valued at £1.5 million. His heirs were his three daughters, Margaret, Elizabeth and Anne, all married to members of Parliament. However, his and his son's complicity in the South Sea bubble left the family's name in disgrace.

—*William E. Burns*

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See also: Sir John Banks; Stephen Fox; Thomas Guy; First Duke of Marlborough; William Pulteney.

Marcus Licinius Crassus

Roman politician, landowner, and military leader

Crassus, one of the wealthiest men in ancient Rome, acquired a vast fortune to further his political career. In doing so, he became one of the most powerful and influential figures of the late Roman Republic, along with Julius Caesar, Pompey the Great, and Cicero.

Born: c. 115 b.c.e.; place unknown
Died: 53 b.c.e.; near Carrhae (now Harran, Turkey)
Sources of wealth: Real estate; slaveholding; conquest; investments
Bequeathal of wealth: Spouse; children

Early Life

Marcus Licinius Crassus (MAR-kuhs li-SIHN-ee-us KRAS-suh), though born into an illustrious Roman family (the Licinii clan), was raised in modest surroundings compared with his patrician contemporaries. His father, Publius Licinius Crassus, a celebrated politician and general in his own right, endeavored to instill the tenets of moderation and temperance in his offspring, most likely because of economic necessity, as well as principle. The young Crassus lived with his father, his mother (Vinuleia), and two married brothers in a single dwelling, quite small in comparison with the houses of other Roman nobility. As the son of a Roman senator, Crassus received an education typical for a young man of his background, one firmly grounded in the rhetorical arts, history, and philosophy. Tragedy struck the Licinii household in 87 b.c.e., when both Crassus's father and an older brother were killed as a result of General Gaius Marius's rise to power. The vicissitudes of a Roman civil war left Crassus both physically vulnerable and financially limited. Forced to flee Rome to the confines of Spain, Crassus, with only 300 talents to his name (a sum roughly equivalent to $4.2 million), joined the forces of Lucius Cornelius Sulla, the political rival of Marius.

First Ventures

The years spent fighting Marius under Sulla's tutelage from 83 to 81 b.c.e. proved revelatory to Crassus, who later remarked that one could not be considered truly wealthy unless one could support an army out of one's personal income. However, Crassus's political ambitions were advanced not by military success but through the acquisition of enormous wealth. After the forces of Marius had been routed, Sulla and Crassus marched on Rome and enjoyed the fruits of plunder, which sprouted from the property of their defeated rivals. Crassus took advantage of any opportunity to enrich himself. In Spain he had pillaged the city of Malaca, and later in Italy he appropriated for himself the spoils from the captured Umbrian city of Tuder.

It was not, however, the treasure from broken cities but the proceeds from real estate sales which became the foundation of Crassus's growing fortune. Crassus had accumulated large amounts of land, buying at low cost the confiscated property owned by Sulla's political foes and selling it at a premium. This kind of questionable profiteering was a practice common to Sulla himself and his followers, but Crassus's avarice was further demonstrated by his blatant manipulation of the proscription lists, which contained the names of those whose property was to be confiscated. Crassus's association with Sulla ended only when he added a man's name to the proscription lists—without Sulla's authorization—for the sole purpose of obtaining the man's property.

Mature Wealth

Crassus used his rapidly increasing fortune to fund his political career, and in the year 70 B.C.E. he was rewarded for his efforts with his first consulship. Much of his wealth came from the sale of valuable real estate in the city of Rome itself. It would be a mistake to say that Crassus was a land developer per se, for he tended to avoid building on the property he purchased. He often said that people who liked to build houses needed no enemies, since they would far too easily ruin themselves. During the years of the late Roman Republic, newly enrolled senators needed houses in Rome rather than estates in the country to maintain their recently acquired status and to have a place to live while the senate was in session. In pursuit of suitable land for the homes of his senatorial clientele, Crassus was utterly relentless. For example, during the year 73 B.C.E. he spent so much time hovering around a Vestal virgin named Licinia in order to pressure her to sell him her lucrative suburban villa that he was accused of impropriety. In the end, Crassus was cleared of any wrongdoing and acquired Licinia's estate. Property in poorer sections of Rome did not escape Crassus's roving eye. He often bought for next to nothing houses damaged or destroyed by fires. Some hostile accounts suggest that the fires' origins may be traced to Crassus himself, as he or his agents often materialized to make an offer just as the fires started. Dealing in real estate was extremely profitable, demonstrated by the fact that Crassus sold a house in Rome to his sometime rival Cicero for the tidy sum of 3.5 million sesterces, or $17.5 million in twenty-first century American currency.

When Crassus became consul in 70 B.C.E., he could afford public displays of his wealth. Although records are not clear as to the total amount of Crassus's fortune at the time, he was able to dedicate 10 percent of this wealth to the Temple of Hercules, to host a public banquet with ten thousand tables, and to provide enough grain to feed every citizen in Rome for three months. Considering that population estimates for Rome number a little less than one million inhabitants for this time period, Crassus's expenditure was considerable.

In addition to assets derived from the sale of land, Crassus possessed a diverse portfolio, which included numerous silver mines, alleged holdings in tax collection companies, and, of course, many slaves. Crassus stated that it was a master's responsibility to care for this valuable "human capital" which was vital for the running of estates. Ancient sources maintain that Crassus owned a small army of highly skilled slaves whose training and education their master personally supervised. Crassus used slaves with masonry, woodworking, and architectural skills in his real estate ventures. Slaves who were trained as administrators, clerks, and readers were also employed by Crassus or hired out for their services.

Crassus's financial investments were all calculated primarily with an eye to his political advancement. These investments enabled him to extend his political aspira-

Slavery and Wealth in Ancient Rome

Slavery existed in Roman society from its beginnings. References to the institution can be found in the earliest inscription, dated to the eighth century B.C.E. However, Rome became more dependent on slave-based labor beginning in the second century B.C.E. as a result of its wars of expansion against the Greeks, Carthaginians, and Macedonians. Large numbers of slaves from captured cities, as well as prisoners from defeated armies, flowed into Rome and other parts of Italy. Studies estimate the slave population in Italy by the end of the first century at around two million.

Roman elites used slaves in many occupations. Slaves toiled as unskilled laborers on the large plantations (*latifundiae*) of Sicily or in Spanish silver mines. Skilled slaves worked as household servants, administrators, and entertainers. Educated Greek slaves were used as tutors. During the first century, wealthy Roman aristocrats used slaves primarily as labor on their country estates, but they also flaunted their status by owning retinues of slaves to attend to their needs in the city. The prices of slaves depended on their skill and education. For example, Cato the Censor, a Roman aristocrat noted for his parsimony, never paid more than 1,500 drachmas for an agricultural slave (roughly $60), while a highly educated Greek grammarian could fetch up to 700,00 sesterces ($3.5 million).

The large number of slaves in Roman society created the potential for large-scale rebellions. Rome experienced a number of slave wars, including two in Sicily (135-132 B.C.E. and 104-100 B.C.E.), as well as the famous slave war of Spartacus (73-71 B.C.E.), put down by Marcus Licinius Crassus, a leading Roman politician.

An important difference between ancient Roman slavery and New World slavery in the modern period is that servitude in Rome was not race-based. In addition, Roman slaves could purchase their own freedom, as well as be freed by their masters. It was customary for manumission clauses to be included in wills. Nevertheless, slaves enjoyed little legal protection and were completely subject to the whims of their owners.

tions far beyond the consulship, as shown by his election to the position of censor in 65 B.C.E. He won a second consulship in 55 B.C.E. Throughout his career, Crassus used his wealth to establish political networks and build alliances that made him one of the Roman Republic's leading political figures. He commonly granted interest-free loans to friends and associates in exchange for favors, engendering obligations that could be used to advance his own ambitions. In 62 B.C.E., for instance, Crassus stood as guarantor of Julius Caesar's debts to the sum of 820 talents (roughly $11.5 million), allowing Caesar to further his political career as praetor of Spain. In doing so, Crassus paved the way for an alliance (the first so-called triumvirate) with Caesar, in which he, Caesar, and Pompey would monopolize political power in Rome from 60 to 53 B.C.E.

In the end, Crassus's ambition proved to be his undoing. Attempting to follow in the footsteps of Alexander the Great, Crassus led and funded a military expedition against the Parthians, Rome's eastern enemy. He and one of his sons died in battle in 53 B.C.E. near the city of Carrahe. Neither his personal estate, which at the time of his death was worth 7,100 talents ($99.5 million), nor the 10,000 talents ($140 million) he had earlier taken from the Temple of Jerusalem could save him from a Parthian's blade.

LEGACY

The ancient sources have not been kind to Crassus. His wealth has become proverbial, and the man himself is portrayed as an example of unbridled avarice. A particularly resonant example is that of the Parthians pouring molten gold down the throat of the decapitated head of Crassus to mock his greed. Yet upon reflection, Crassus's career differed little from those of his contemporaries, such as Julius Caesar or Pompey, who both plundered their way to the top of Roman politics. Even Crassus's wealth, although considerable, was less than that of Pompey or Sulla. What made Crassus different from men such as Pompey, Sulla, or Caesar was the fact that money, and not military command, was the key to his acquisition of political power.

Despite the unsavory origins of his wealth, Crassus conscientiously employed his financial resources as a servant of the Roman people. Moreover, Crassus did not engage in conspicuous consumption or lavish entertainments. True to his upbringing, he always lived modestly, and his dinners were distinguished by the quality of his guests rather than of his table. Crassus maintained that success in life lay not only in the careful management of money but also in the equally astute management of people.

—*Byron J. Nakamura*

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See also: Claudius Aesopus; Gaius Maecenas; Roscius.

Richard Crawshay

British ironmaster and industrialist

For three decades in the eighteenth and nineteenth centuries, Crawshay ran one of the world's largest ironworks, turning out cannons vital to the British war effort and metallic products instrumental to the cultural changes in the Industrial Revolution. The business earned enormous sums for Crawshay and his descendants until the early twentieth century.

Born: 1739; Normanton, Wakefield, England
Died: June 27, 1810; Cardiff, Wales
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Children; relatives

Early Life

Born near Leeds, England, Richard Crawshay (CRAW-shay) was the son of a Yorkshire farmer. At the age of sixteen, Crawshay left home for London, where he apprenticed at Bicklewith's, a bar iron warehouse, selling flatirons. Upon Bicklewith's retirement in 1763, Crawshay took over the profitable enterprise as sole proprietor. That same year, he married Mary Bourne and would eventually father four children: William, Anne, Elizabeth, and Charlotte. Within a decade, his company was specializing in products that provided a low-cost alternative to expensive Swedish and Russian iron. Now a leading purveyor of iron, Crawshay had grown wealthy, and he began looking for new enterprises in which to invest.

First Ventures

Beginning in the early 1770's, Crawshay continued to expand his iron company. In 1775, he went into business with British-born former tobacco merchant Anthony Bacon, who had founded the Cyfarthfa Ironworks at Merthyr Tydfil, Wales. Employing a process that transformed inferior pig iron into strong bar iron, Bacon won government contracts to produce ordnance—primarily cannons and cannonballs—for the British military. The highly lucrative cannon-making venture continued until 1782, when Bacon became a member of Parliament and was prohibited by law from securing government contracts. Upon Bacon's death in 1786, Crawshay, assisted by his son William, took over management of the Cyfarthfa Ironworks, in partnership with London merchant William Stevens and former Cyfarthfa forge manager James Cockshutt.

Mature Wealth

At Cyfarthfa, Crawshay enhanced and improved the ironworks. He installed a reverberatory furnace necessary for the newly invented process of puddling, which removed impurities from pig iron. He added a rolling mill to shape the molten metal into girders for buildings and bridges, rails for fledgling railways, and weapons of war. Such improvements fueled the Industrial Revolution of the late eighteenth and early nineteenth centuries, made Cyfarthfa Ironworks into one of Great Britain's largest industries, and allowed Crawshay to become one of the nation's wealthiest men.

Crawshay continued to build his business over the next two decades by adding furnaces and rolling mills. To facilitate the transport of his company's iron products, he strongly supported the Glamorgan Canal, which opened in 1794 and sped the delivery of iron to Cardiff, the capital and chief port of Wales. Throughout his lifetime, Crawshay continuously expanded Cyfarthfa, and by 1810 the facility boasted six blast furnaces, employed more than one thousand workers, and produced in excess of twenty thousand tons of iron, becoming one of the world's largest producers.

At his death in 1810, Crawshay left an estate valued at £1.5 million (more than £100 million in 2010). Three-eighths of his estate was willed to his son William; the remainder was bequeathed to a son-in-law, Benjamin Hall, and to a nephew, Joseph Bailey, both of whom had long been involved in iron production at Cyfarthfa.

Legacy

Although Richard Crawshay had hoped his son William would follow him into the iron-making business, William confined himself to acting as agent for the ironworks' products from a London office. William's fortune of some £50 million was left to his five children. His son William II managed Cyfarthfa after his grandfather Richard's death, greatly expanding the business, and he built Cyfarthfa Castle at a cost of more than £2 million. At his death, he divided his vast holdings among his three sons, with the youngest, Robert, acquiring Cyfarthfa Ironworks and Cyfarthfa Castle.

Robert Crawshay converted Cyfarthfa to steel production. Following his death in 1879, Robert's sons continued the business until the company was sold in 1902. The former Cyfarthfa Ironworks produced materials during World War I and ceased operations in 1919. By the twenty-first century, Cyfarthfa Castle was a school. The building is one of few reminders of the enormous wealth once generated from the long-closed ironworks in the economically depressed community of Merthyr Tydfil, once one of Wales's largest towns.

—*Jack Ewing*

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See also: Sir Richard Arkwright; Peter Cooper; Henry Phipps; Joséphine de Wendel.

Enrique Creel

Mexican landowner, businessman, and politician

Creel combined outstanding business acumen, a fortuitous union of powerful and wealthy families, and excellent timing to build a political and financial empire in Chihuahua, Mexico, that flourished during the long tenure of Mexican president and virtual dictator Porfirio Díaz.

Born: August 30, 1854; Chihuahua, Chihuahua, Mexico
Died: August 18, 1931; Mexico City, Mexico
Also known as: Enrique Clay Creel Cuilty; Henry Clay Creel (birth name)
Sources of wealth: Trade; mining; manufacturing; railroads; real estate
Bequeathal of wealth: Children; relatives; government

Early Life

Enrique Clay Creel Cuilty, better known as Enrique Creel (ehn-REE-kay kreel), was the eldest of seven children born to American Reuben Waggener Creel, who served as an interpreter in the Mexican War (1846-1848). Reuben had stayed in Mexico following the war, become a successful merchant, grown wealthy after marrying into the prominent Irish-Mexican family of his wife, Paz Cuilty, and served as an American consul in Chihuahua in the early 1860's. Enrique grew up in luxurious circumstances, was privately tutored, and took several educational jaunts abroad before joining his father's business at age fourteen.

First Ventures

While in his teens, Creel became head of the family upon his father's death in 1873. Like his father, he married well. Creel wed Angela Terrazas, the daughter of Don Luis Terrazas, an influential politician, landowner, and rancher. Intelligent and ambitious, Creel emulated his father-in-law. Together, Creel and Terrazas created an oligarchy that ruled Chihuahua, Mexico's largest—and during this era, most strategic—state, bordering New Mexico and Texas. The two men collectively controlled almost nine million acres of land (Creel owned almost two million acres of the total), on which they operated haciendas and ranches that supported hundreds of thousands of cattle, sheep, and horses.

In 1878, after Porfirio Díaz became the president of Mexico, Creel followed Terrazas's example by entering local politics. Creel used his wealth to build a fortune, founding banks and telephone companies and erecting textile mills and granaries. In 1887, he established and served as president of Chihuahua's first Chamber of Commerce, which facilitated trade with foreigners who flocked to Mexico to take advantage of investment opportunities.

Mature Wealth

Creel continued to expand his holdings. He became an executive in a national dynamite and explosives concern, engaged in mining, and built thousands of miles of railroad track to transport raw materials to and from the United States, boosting the Mexican economy in the process. By the turn of the century, he held many important corporate positions, including president of the Monetary Commission, the Central American Railway, the Bankers Association, the Casino of Chihuahua, the state telephone company, and the Mining Bank. In 1904, Creel followed his father-in-law into office as governor of Chihuahua, serving until 1906 and again from 1907 to 1910. Between 1910 and 1911, he was President Díaz's secretary of foreign relations and acted as interpreter when

Díaz and U.S. President William Howard Taft met in Mexico.

When Pancho Villa led the Mexican Revolution that overthrew Díaz, Creel went into exile in the United States in 1913. Much of his land and many of his holdings—particularly his banks and mines—were confiscated. After Álvaro Obregón was elected Mexican president in 1920, Creel returned to Chihuahua and rebuilt his empire. In addition to serving as business adviser to Obregón, Creel recovered his banking and railroad concerns and recouped more than one million acres of land. By the time of his death at age seventy-six in 1931, Creel was able to leave a sizable estate for his children, Alberto, Juan, and Adela.

Legacy

Although his heirs lost a considerable amount of land during the agrarian reforms of the 1930's, the Creel family, through its descendants, continued to wield influence in Mexico. The tradition of marrying into power, used to advantage by the Creel and Terrazas families, was maintained before and after Creel's death. Creel's daughter, Adela, married former Chihuahua governor Joaquín Cortazar. Other prominent figures related to Creel by marriage have included Chihuahua Governor Silvestre Terrazas, industrialist and politician Alberto Terrazas Cuilty, businessman Juan Terrazas Cuilty, the minister of the interior and politician Santiago Creel Miranda, and Intermex Industrial Parks executive Jaime Creel Sisniega. Some physical assets of Creel's empire remained into the twenty-first century, including the Chihuahua-Pacific Railroad and the town of Creel, a tourist destination at Copper Canyon in the Sierra Madre Mountains.

—*Jack Ewing*

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See also: Raúl Baillères; Carlos Slim.

Charles Crocker

American railroad magnate, financier, and real estate developer

Crocker's wealth was derived primarily from his investment in Central Pacific Railroad's construction of a portion of the first transcontinental railroad, which was completed in 1869. In later years, he became a major financier and real estate developer in California.

Born: September 16, 1822; Troy, New York
Died: August 14, 1888; Monterey, California
Sources of wealth: Railroads; real estate
Bequeathal of wealth: Spouse; children

Early Life

Charles Crocker was born to a middle-class farm family in upstate New York. When he was fourteen, his family moved to a farm in Marshall County, Indiana. Crocker had little formal education because he dropped out of school to help support his family. He worked as a farm laborer, in a sawmill, and in an iron forge. He later said that his experiences in supervising work crews in these early jobs were a key to his success in the construction of the Central Pacific Railroad.

Charles Crocker. (Archive Photos/Getty Images)

Construction workers for the Central Pacific Railroad stand on flatcars near Promontory Point in 1868, a year before the transcontinental railroad was completed. The opening of this railroad generated millions of dollars for the "big four" owners of the Central Pacific—Charles Crocker, Mark Hopkins, Collis P. Huntington, and Leland Stanford. (Library of Congress)

First Ventures

In 1845, Crocker established his own iron forge, but he sold this firm in 1849 and went to California to mine for gold. After two years of mining with little success, Crocker went into business selling supplies to miners. By 1854, he had become one of the wealthiest men in Sacramento, where he became acquainted with the other men who would form the leadership of the Central Pacific Railroad—Leland Stanford, Collis P. Huntington, and Mark Hopkins. In 1861, these men, who came to be known as the Big Four, invested $24,000 to establish the Central Pacific Railroad. The following year, Congress passed the Pacific Railroad Act, which chartered the new Union Pacific Railroad to build the eastern end of a new transcontinental railroad. The Central Pacific was given the contract to build the western end of this line.

Mature Wealth

It was railroading that made Crocker truly wealthy, and he later invested that wealth in a variety of other business ventures. The directors of the Central Pacific Railroad contracted with a separate firm that Crocker had formed to do the actual construction of the rail line. What many people did not know at the time was that many of the directors of the railroad were also investors in this construction company, so they were essentially paying themselves for building their own railroad.

After the transcontinental railroad was completed in 1869, Crocker remained affiliated with the Central Pacific but also began investing in other ventures, especially in California real estate. He was a prominent backer of some of the large-scale irrigation projects that turned the San Joaquin Valley into a major agricultural center. In 1871, Crocker became president of the Southern Pacific Railroad, and in 1884 he oversaw the merger of the Central Pacific Railroad and the Southern Pacific, creating one of the largest western rail lines. Crocker also became a major regional financier.

Crocker built a magnificent mansion in the Nob Hill section of San Francisco and had a second home in New York City. He was badly injured in a carriage accident in New York City in 1886, and he never fully recovered. He died in 1888 at a new resort hotel that the Southern Pacific Railroad had built at his urging in Monterey, California.

Legacy

Crocker's legacy was a mixed one. He left a tremendous fortune to his family, estimated at $20 to $40 million, and his wealth contributed to the rapid development of the economy of California in the late 1800's. However, there were many charges of fraud concerning how he acquired this wealth, and the Southern Pacific Railroad, which its opponents dubbed the Octopus, was accused of monopolistic practices. Unlike many industrialists who made philanthropic gifts out of a sense of either gratitude or duty, or at least to forestall public criticism of their great wealth, Crocker gave virtually nothing to charity either during his life or in bequests after his death. His career contributed significantly to the creation of the "robber baron" image of American businessmen.

—*Mark S. Joy*

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Croesus

Lydian king and conqueror

Croesus inherited the empire of Lydia from his father Alyattes and expanded it to include the entire area between the Aegean Sea and the Halys River, thus acquiring legendary wealth. He used his fortune to aggrandize his status and to adorn Sardis, his capital. A military defeat to Cyrus the Great of Persia cost him his kingdom, his wealth, and his freedom.

Born: c. 595 B.C.E.; Lydia, Asia Minor (now in Turkey)
Died: c. 546 B.C.E.; Sardis, Asia Minor (now in Turkey)
Also known as: Croisos; Kroisos
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Dissipated

Early Life

Croesus (KREE-suhs) was born in the twenty-third year of the reign of his father Alyattes, who had conquered and destroyed Smyrna and continued a war begun by his father Sadyattes against the Greek port city of Miletus. During the war, Alyattes caused the Temple of Athena to burn down. When Alyattes became ill and did not recover, he inquired of the Delphic Oracle, which declared that he would not recover until the temple was rebuilt. In response, Alyattes was more generous than required, for he built two temples to Athena and was rewarded not only with the restoration of his health but also with the longest reign of any member of his dynasty, fifty-eight years. No doubt Croesus learned from his father's experience to respect the oracle and to live in accordance with its dictates.

First Ventures

Although Alyattes preferred Croesus, his son by his Carian wife, to his other son Pantaleon, his son by a Greek wife, there was a faction that supported Pantaleon. When Alyattes allowed Croesus to succeed him as king, Croesus killed Pantaleon by drawing him across a carding comb, destroying his half brother with more cruelty than necessary to secure his position against conspiracy.

Croesus assumed power as king of Lydia at the age of thirty-five and immediately attacked Ephesus, a Greek city on the Aegean coast. After attacking Ephesus, Croesus made war on every Ionian and Aeolian state, alleging, as the ancient historian Herodotus explains, "some motives of responsibility upon some, others upon others, greater charges upon those when he could find them, trifling ones upon others." After subduing all the

Greeks of Asia, Croesus imposed tribute on them, and this tribute elevated him to the status of the superrich. The other source of his massive fortune was the natural wealth of Lydia, where the river Pactolus was filled with golden sands and lush, fertile valleys were conducive to agriculture.

Croesus at first planned to continue his acquisition of wealth by conquering the Greeks who lived on the islands of the Aegean, but he was persuaded of the impracticality of Lydia becoming a naval power. Instead, he conquered virtually all the peoples who lived west of the Halys River and annexed them to Lydia. At this point, Croesus and Lydia were at the height of their wealth.

Mature Wealth

One indication of Croesus's great wealth was the change he instituted in Lydian coinage, the world's oldest, traditionally attributed to earlier members of the Mermnadae, Croesus's dynasty. Before Croesus, Lydian coins were made of electrum, a mixture of gold and silver found in nature in the ratio of one part silver to four parts gold. Croesus, perhaps to flaunt the wealth of his land, minted coins of pure gold. There were two kinds of Lydian coins, known as Croeseids, one weighing a little less than four-tenths of an ounce meant for trade inside Asia, and another weighing about one-half of an ounce for trade with the Ionian Greeks.

It was probably during this time that some artifacts, like those of the Karun Treasure, were purchased or commissioned by Croesus. That he was a patron of the arts is attested to by Herodotus, who reports of a silver bowl made by the noted craftsman Rhoikos, a colossal cauldron that could hold 2,700 gallons made by the Spartans, and columns for the Temple of Artemis in Ephesus, later known as the Croesus Temple in homage to its benefactor.

The most famous account of Croesus's wealth comes in the story of the visit by the Athenian statesman Solon to Croesus's kingdom. Solon is received cordially, and on the third or fourth day of his visit, Croesus instructs his servants to give Solon a tour of the treasuries (note the plural), where Solon sees the great objects and evidence of Croesus's prosperity. After Solon has seen the treasures, there ensues one of the most celebrated conversations of antiquity. Croesus asks Solon,

> Guest-friend from Athens, much talk of your wisdom has come to us, and of your wandering for the purpose of seeking wisdom and of seeing the world. Now the desire has come to ask whether someone, of all you have seen, is the most prosperous.

The Karun Treasure

The Karun Treasure, also known as the Lydian Hoard and the Croesus Treasure, consists of about 450 artifacts discovered in the small village of Gure, about fifteen miles from Uşak in western Turkey, where the items are displayed at the Uşak Archaeological Museum. The objects were found by farmers in the mid-1960's in three tumuli, or ancient burial mounds. Many of the objects were sold to the Metropolitan Museum of Art in New York City in violation of both Turkey's laws on antiquities and UNESCO's (United Nations Educational, Scientific, and Cultural Organization) Convention on the Means of Prohibiting and Preventing the Illicit Import, Export, and Transfer of Ownership of Cultural Property. When the Metropolitan Museum put these items on display, the artifacts came to the attention of Turkish officials, who pursued all legal avenues to have them returned to Turkey. In 1993, the museum returned the items.

Among the most notable objects are a gold brooch in the shape of a horse with wings and a sea monster's tail (called a hippocampus), from which dangle three tassels, each ending in an ornate pomegranate; a silver water jug with a handle in the form of a human figure that arches backward; acorn-shaped pendants on a gold necklace; bracelets with intricately carved lion heads; and ornate silver bowls. Many of the objects are like no others in the world.

No doubt the names "Karun Treasure" and "Croesus Treasure" are used because of the renowned fame of King Croesus, for "Karun" is the name of a rich Persian who has been called the Persian Croesus. Similar names also appear in the Bible in the figure of Korah in Exodus and in the Qurʾān in the figure of Kuran. Both are individuals who, like Croesus, were exceedingly wealthy, exhibited incredible arrogance, and ended badly. For presumptuously leading a rebellion against Moses, Korah is punished by being swallowed up by the earth (Exodus 16.33), and Kuran, for his arrogant devotion to things of this world, is also swallowed up by the earth. In Turkey, there were rumors of divinely sent miseries afflicting the peasants who had sold the Karun treasures to smugglers.

It is extremely unlikely that the objects of the Karun Treasure were actually in Croesus's treasure-houses, for the tumulus mounds in which they were buried date from the seventh century B.C.E., while Croesus lived a century later. Still, as artistic styles were slow to change, the artifacts are probably very much like those that Solon would have seen when he toured the treasure-houses of Sardis.

Herodotus attributes to Croesus the wish to hear that he is the most prosperous of all people. Solon, however, replies that Tellus of Athens, a man of moderate means, is the most prosperous. Solon then declares that not Croesus but two Argive athletes, Cleobis and Bito, are the second most prosperous. The conversation ends with Solon's discourse on the nature of true happiness, which does not depend on wealth and on the precarious nature of worldly prosperity.

Herodotus attributes the eventual fall of Croesus in part to the king's delusion about his own happiness, although this particular misconception is a symbol of Croesus's more general delusion about being able to control events. Croesus believed that because of his wealth he was in control of his destiny. One way for ancients to be in control was to know the future, and they could learn the future by making direct inquiries to the oracle at Delphi. As king of Lydia, Croesus feared the growing power of Persia, which was becoming dominant under its dynamic king Cyrus the Great. Croesus sent to Delphi to ask what would happen if he attacked Persia. The oracle replied with its famous ambiguity, "You will destroy a great empire." Confident that he would destroy Persia, Croesus invaded this country, but he was defeated by the more resourceful Cyrus. The kingdom of Croesus was absorbed by Persia, and Croesus was to be executed by being burned alive. While on the pyre and as the flames were beginning to spread, Croesus remembered Solon's warning about the precarious nature of Fortune, and, the story goes, as if to show that Fortune can turn in positive as well as negative directions, the god Apollo sent a rainstorm that doused the fire, proving to Cyrus that Croesus was beloved of the gods.

Croesus spent the rest of his life as a slave in the Persian court, advising Cyrus and his psychopathic son Cambyses. As adviser, Croesus showed that he had learned wisdom from his suffering, though this knowledge was not always appreciated by the madman Cambyses. Croesus is said by the poet Bacchylides to have been transported to the mythical Hyperboreans by Apollo. The less romantic Herodotus reports Croesus's service as adviser to the Persian monarchs, but he lets Croesus simply disappear, without any mention of his death. In this way, Herodotus is perhaps contrasting Croesus with Tellus of Athens, a man of moderate wealth who died a glorious death fighting for Athens and was rewarded with a state funeral at public expense.

Legacy

Few persons have been so spectacularly conspicuous for a quality that their names exemplify that characteristic. Just as calling someone an "Einstein" signifies that the individual is extraordinarily intelligent, or calling someone a "Hitler" or a "Stalin" means that the individual is ruthlessly evil, so calling someone a "Croesus" suggests that the person either has great wealth ("to be as rich as Croesus") or has suffered a complete reversal of fortune. Starting as the ruler of a prosperous empire, Croesus became overconfident, and in his overconfidence he overreached, both in his kingship and in his family, and lost everything, living out his days in increasing obscurity until dying a death that passed without note. Like Priam, king of wealthy Troy, Croesus became a symbol of Fortune's power to destroy.

—*James A. Arieti*

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See also: Hipponicus II; Marduk-nāsir-apli; Midas.

Mark Cuban

American entrepreneur, investor, and basketball team owner

Unlike sports team owners who remain quietly on the sidelines (or in plush skyboxes), Mark Cuban is publicly and vocally identified with the Dallas Mavericks basketball franchise. During the games, Cuban sits courtside, often yells at officials or players on the opposing team, and in the eyes of fans and commentators is clearly connected with the Mavericks.

Born: July 31, 1958; Pittsburgh, Pennsylvania
Sources of wealth: Computer industry; media; sports franchise; investments; entertainment industry
Bequeathal of wealth: Charity

Early Life

Mark Cuban was born into a relatively poor family. He started his first job when he was young and worked his way through college by performing a series of odd jobs. He attended the University of Pittsburgh for a year and then transferred to Indiana University, graduating in 1981. After college he moved to Dallas, Texas, where he first took a job as a bartender. He then worked for a short time as a salesman for a computer software company. He was fired from this job, which led him to found his own company, MicroSolutions.

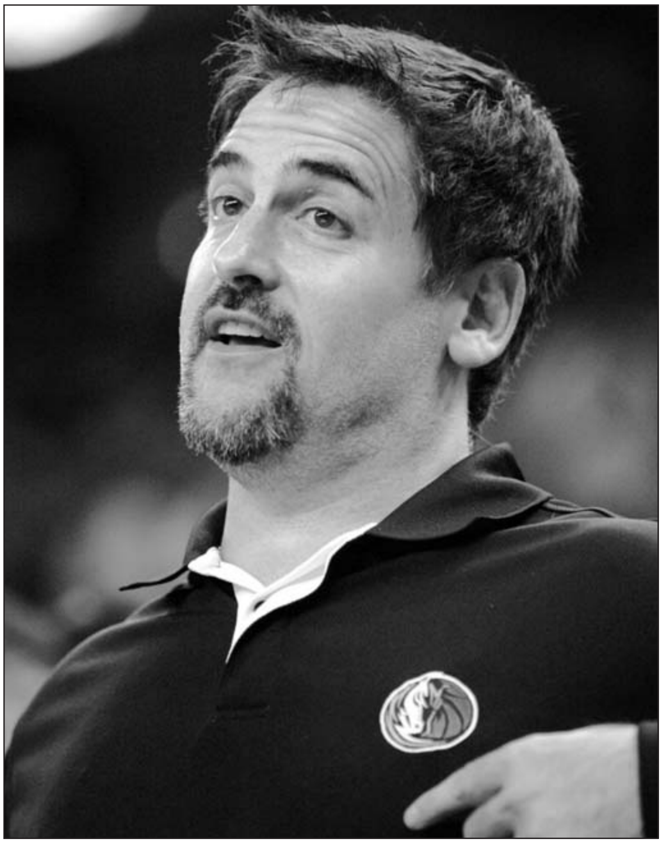
First Ventures

At MicroSolutions, Cuban provided software and other computer services to companies. He admittedly knew very little about software, but both at the software company and at MicroSolutions Cuban taught himself the business after making the sale. In essence, he would tell people that he could provide services that he had no experience delivering. He then would quickly read computer manuals cover to cover so he would be able to offer the services he promised. MicroSolutions grew slowly, with only a few employees during the first few years, but it did manage to grow. One of its most important large clients was Perot Systems, a company founded by H. Ross Perot several years before Perot's first presidential campaign in 1992. Cuban's efforts were fairly successful, even though MicroSolutions never grew into a major software company. In 1990, Cuban sold the company to CompuServe, an Internet services firm. Cuban made about $2 million on the deal, which allowed him to enjoy financial freedom for a time.

Mature Wealth

In Cuban's next large venture, he funded a friend's effort to broadcast college games over the Internet. This enterprise began on a very small scale, but it eventually grew, and less than four years after its creation the company, now called Broadcast.com, employed three hundred people. In 1999, at the height of the dot-com boom, Broadcast.com was sold to Yahoo!, Inc., and Cuban received billions of dollars worth of Yahoo! stock. Cuban and his partner Todd Wagner became rich, but they also shared the wealth with many of the employees who initially came to work for the company, and some sources estimate that hundreds of these employees became millionaires.

Cuban decided to diversify his portfolio, which is why he fared better than many others who made their wealth in technology and saw their fortunes decline when the dot-com bubble burst. Cuban made a number



Mark Cuban. (AP/Wide World Photos)

The Fallen Patriot Fund

The Fallen Patriot Fund of the Mark Cuban Foundation helps families of military personnel who were killed or seriously wounded while fighting in the Iraq War. The patriot fund was established in 2003 at the behest of Mark Cuban, and the Mark Cuban Foundation provided much of its initial funding. Cuban matched the first $1 million in donations, and additional financing was provided by the Bank of America, which matched its employees' donations of $25 to $5,000. Since its inception, many film screenings and other fund-raisers have generated money for the fund, and some musicians have donated proceeds from their songs. As of 2009, the fund had disbursed a little more than $4 million.

The focus of the fund is to provide relief from immediate financial distress for the spouses and children of military personnel who were killed or seriously injured in battle. Many of the grants have been for $10,000, and each award is tailored to the needs of a family. Mark's brother, Brian Cuban, is involved with the fund and also manages the Mark Cuban Foundation. Mark plays an active role in the organization, and he has appeared at a number of its award ceremonies. The fund does not express an opinion on the Iraq War, and it has received favorable publicity and donations from both supporters and opponents of the conflict.

of high-profile purchases, including buying the Dallas Mavericks basketball team from H. Ross Perot, Jr., the son of one of Cuban's major clients at MicroSolutions.

Cuban has been very public about his ownership of the Mavericks. While many National Baketball Association (NBA) franchise owners sit in luxury boxes, Cuban always sits courtside, where he freely expresses his feelings about the referees and rival teams. He has been fined more than $1 million for his behavior; these fines were paid to the NBA and are believed to be a record for a team owner. He matched these fines with donations to a variety of groups, including organizations involved in cancer research and the treatment of enzyme disorders. He also donated more than $1 million to relief efforts after the terrorist attacks on September 11, 2001.

Cuban has upgraded the Mavericks' facilities in order to attract potential free agents and to generally improve the team. During the 2009 NBA playoffs, Cuban gained notoriety for getting into a shouting match with an opposing team's player. Despite his often over-the-top behavior at games, Cuban's ownership has benefited the Mavericks. He took a team that seldom made and rarely won the NBA championship playoffs before his acquisition, and he helped make it a team that frequently competed in the playoffs and advanced to the finals in 2006, losing the championship to the Miami Heat in six games.

Besides the Mavericks, Cuban has also been involved in a variety of technological ventures. He is a significant investor in 2929 Entertainment, a company that aims to control all aspects of a film's production. One of the films produced by the company was *What Just Happened* (2008), directed by Barry Levinson and starring actor Robert De Niro. The firm also owns art theaters and produces television shows. Cuban is also an owner of Magnolia Pictures, a film production company best known for producing *Redacted* (2007), which presented a fictionalized account of the rape and murder of a young Iraqi girl in 2006. *Redacted* generated controversy, and the company had to delete images in the film that might have resulted in lawsuits.

Cuban co-owns HDNet, one of the first companies to provide high-definition satellite television to subscribers. HDNet was founded in 2003, several years before most viewers were familiar with high-definition television. In 2007, Cuban founded HDNet Fights, a company that airs and promotes mixed martial arts and other combat sports on his network. He has said he would like to present mixed martial arts events "in a manner more in line with other professional sports."

Cuban has tried to purchase other enterprises. A long-time Chicago Cubs fan, he made an unsuccessful bid to buy the baseball team when it was up for sale in 2007. He also has expressed interest in buying either the Pittsburgh Penguins hockey team or the Pittsburgh Pirates baseball franchise, having ties to these teams because he grew up in Pittsburgh. In 2010, he bid $598 million to purchase the Texas Rangers, a Major League Baseball team, during the team's bankruptcy auction, but his bid was denied and the team was purchased by an investment group led by Hall of Fame pitcher Nolan Ryan. There also has been speculation that Cuban is trying to start a new football league.

In 2008, the Securities and Exchange Commission (SEC) filed a civil suit against Cuban, claiming he had used confidential information to make a profit. The suit alleged that he had privileged information about Mamma.com, Inc., an Internet search engine company in which he had invested, and that he used this information to sell his stock at a profit. Cuban claimed he had not violated any laws. On July 17, 2009, a federal judge dismissed the lawsuit, ruling that the SEC could not hold

Cuban liable for insider trading because the agency did not allege that Cuban had agreed not to trade based on confidential information he received about the company.

Legacy

In many ways, Cuban is rewriting the role of American sports franchise owner and entrepreneur. Most owners stay out of the headlines and away from their teams. Cuban does neither. He is a very public fan and advocate for his team and is sometimes so noticeable that he distracts from the games themselves. Cuban, however, is generally entertaining and always serves as a topic of conversation. Whether an owner like Cuban is good for a team has yet to be determined, but he definitely has altered public perception of an owner's role.

Cuban is also part of an emerging generation of highly visible, superrich Americans who have no qualms about publicly expressing their beliefs. He seeks attention for his comments and publicity campaigns, not for the conspicuous consumption for which wealthy people previously sought notice. However, like wealthy people in previous generations, he has used some of his wealth in philanthropic endeavors.

—*Scott A. Merriman*

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Sergey Brin; Michael Dell; Larry Ellison; Bill Gates; Steve Jobs; Gordon E. Moore; David Packard; H. Ross Perot; George Steinbrenner; Ted Turner.

Paul Cuffe

American merchant, shipbuilder, farmer, and moneylender

The wealthiest African American in the early United States, Cuffe was a merchant, landowner, shipbuilder, store owner, miller, farmer, and moneylender. He used his fortune in a humanitarian effort to transport freed slaves to West Africa, with mixed results.

Born: Janaury 17, 1759; Cuttyhunk Island, Massachusetts
Died: September 7, 1817; Westport, Massachusetts
Also known as: Paul Slocum (birth name); Paul Cuffee
Sources of wealth: Shipbuilding; trade; moneylending; real estate
Bequeathal of wealth: Spouse; children; relatives; educational institution; charity

Early Life

Kofi, the father of Paul Cuffe (KOO-fee), was born in Ghana, Africa, and was sold into slavery in 1728 to a prominent Quaker family in Massachusetts. Through hard work, Kofi was able to earn his independence by the 1740's. Paul Cuffe's mother, Ruth Moses, was a Native American of the venerable Wampanoag tribe, who had shared a Thanksgiving dinner with the Pilgrims. Kofi, who was known as Cofee Slocum when he was a freedman, married Ruth in 1746 and moved to Cuttyhunk, an offshore Massachusetts island. They had ten children, including Paul Cuffe, who was born in 1759.

When he was fourteen, Paul shipped aboard a New England whaler. On his voyages he learned arithmetic and navigation. The Revolutionary War broke out a few years later, restricting the New England maritime trade, but Cuffe profited as an intrepid blockade runner. On February 25, 1783, Cuffe married Alice Pequit, also of the Wampanoag tribe; they would have seven children. Cuffe was described by his contemporaries as a man of quiet dignity, pious, and unselfish. Although rightly recognized in history for his achievements as an African American, it is important to remember that Cuffe was equally of Native American heritage.

First Ventures

With his profits from his trading voyages, Cuffe expanded his fleet. Forming a shipbuilding and purchase partnership with his brother-in-law Michael Wainer, Cuffe acquired a twelve-ton schooner. Soon he added a twenty-ton schooner. From 1787 to 1795, Cuffe sold some of his smaller boats to obtain larger ships, including a twenty-five-ton whaling schooner, the *Sunfish*; a forty-two-ton schooner, *Mary*; and the sixty-nine-ton, sixty-two-foot square-sterned schooner, the *Ranger*. Besides whaling and cod fishing, Cuffe traded timber, livestock, food, corn, apples, cotton, and flour. His fleet of boats traveled up and down the east coast from Newfoundland to the Caribbean. A single trip to Maryland in the winter of 1795-1796 netted him a profit of more than $1,000. In February, 1797, he purchased a 140-acre farm on the Westport River in Massachusetts for $3,500. By 1800, his holdings had expanded to two hundred acres. He bought a gristmill and a windmill in order to refine the foodstuffs he shipped. His total assets were worth about $10,000, equivalent to several hundred thousand dollars in 2010.

Mature Wealth

By the beginning of the nineteenth century, Cuffe was the wealthiest person of color in the United States. With revenue from his farming, shipbuilding, and trading businesses he was able to donate his time and money to civic-minded enterprises. He was a remarkably farsighted man. Believing in education, he used his own funds to construct and operate a school on his land in order to educate his children and other children residing in the town of Westport, Massachusetts. This institution was one of the first integrated schools in the United States. A Quaker, Cuffe donated $600 in 1813 for the construction of a substantial Friends meetinghouse in Westport. He lobbied the Massachusetts courts in order to obtain voting rights for taxpaying African Americans.

One of Cuffe's most significant ventures was his effort to create overseas colonies for freed American slaves. Given the difficult circumstances facing former slaves in the United States, including possible reenslavement under the fugitive slave laws, many progressive Americans supported the idea of repatriation of freed blacks to Africa. Cuffe's travels convinced him that America's former slaves could prosper in West Africa and he joined efforts to arrange for immigration to Sierra Leone. In 1811, he formed the Friendly Society of Sierra Leone to improve conditions for newly arrived blacks. He traveled to Great Britain to meet with the leaders of the African Institution. In 1812, he met with President James Madison to discuss African colonization. In December, 1815, with the end of the War of 1812, Cuffe spent $4,000 to enable nine families to settle in Sierra Leone, but he had difficulty raising the funds needed to continue with his emigration plans. In 1817, he began collaborating with the newly formed American Colonization Society.

Although increasingly busy with his humanitarian ventures, Cuffe did not entirely neglect his businesses. He had a wharf and warehouse constructed on his river property. From 1802 to 1803, the *Ranger* alone made seventeen commercial landings, netting Cuffe $5,000. In 1802, he built a 162-ton brig, the *Hero*, for his fleet. In 1806, he built a ninety-one foot, 268-ton, double-decked, three-masted ship, the *Alpha*. Cuffe captained the *Alpha* on trips to the South, to England, and to Russia. He opened a store in New Bedford, Massachusetts, to sell the merchandise his ships imported from Europe and the Caribbean. In 1807, he obtained a 109-ton brig, the *Traveler*, and two years later, the *Hero*, refitted and reregistered as a bark, brought Cuffe $1,700 in profits. In 1815, he sold the *Alpha* for $6,550. With his large ships he was able to sail more frequently to the West Indies, Europe, and Africa, transporting cotton, plaster, wood, pitch, oil, clothing, livestock, salt, hardware, spices, and passengers. He built up his landholdings by acquiring two additional farms and several salt marshes, with an eye toward opening a salt mine. He loaned money to his neighbors. However, his dream of yearly passenger trips to Sierra Leone in order to establish and serve a thriving colony of former slaves did not come to fruition.

Legacy

In an era when most blacks in the United States were slaves or were poor freedmen, and when most Native Americans lived in poverty, Paul Cuffe was able to amass a large fortune in a number of businesses that were dominated by white men. His accumulation of wealth was a remarkable achievement, as were his humanitarian ef-

Minorities and Wealth

The story of minorities—ethnic, racial, and religious—and the creation of wealth is one of the more remarkable in economic history. It is a story of both obstacle and opportunity, of frustration and achievement, of discrimination and success. Minorities have faced persecution, but they have also been able to seize opportunities for economic advancement. Ethnic and religious minorities form tight-knit groups. Kinship ties lead naturally to networks of suppliers, traders, and agents. Many rulers were satisfied to see their minority populations engaged in trade and business, especially as these populations' vulnerable status allowed for heavy taxation, and even occasional confiscation.

In medieval Europe, Christians were forbidden from lending money at interest, as a form of usury. Jews, however, were allowed to become usurers, and some Jews made a profit by lending money to non-Jews. For example, as Venice became a great economic power in the fifteenth century, its Jewish population, although confined to a ghetto, served a valuable economic function as moneylenders to Venetian merchants. In the eighteenth and nineteenth centuries, the Rothschilds were able to build their great fortunes while barely out of the ghetto.

The religious minorities of India—the Jains, Parsees, and Ismāʿīlī Muslims—have long been active in commerce. The Jains, who are reluctant to harm living things in husbandry and agriculture, took naturally to commerce. The Mughal emperors, themselves foreign rulers of India's vast Hindu population, encouraged ethnic and religious minorities to continue their commercial ventures. Great fortunes were made by traders, who in turn paid large amounts of taxes to the Mughals.

Armenians were successful merchants worldwide, as were the Christian Coptic businessmen in Muslim Egypt, the Raskolniki Christian minority in Russia, and the Protestant Huguenots in Catholic France. In China, the Hakka minority has earned great wealth in commerce. The Chinese, dispersed from their homeland, have succeeded in business everywhere; their success in Indonesia helped spark a massacre in 1956 that resulted in the deaths of hundreds of thousands of Chinese immigrants. Successful Indian businessmen were expelled from Uganda by Idi Amin in 1972.

The Spanish New World empire depended on Genoese bankers. The Latin American nations succeeding to the Spanish empire have seen the success of many minorities, none more so than the Lebanese, with billionaires such as Luis Noboa and Carlos Slim. In various countries, Pakistanis, Koreans, and West Indians, to name just a sample of ethnic minorities, have achieved the great commercial success denied them in their homelands. The list of minorities who have overcome great odds is endless, proving that any ethnic group can show its entrepreneurial drive under the right conditions.

Societies differ in their treatment of women and wealth. However, in a world where legal title to property was often limited to men, the rise of wealthy women is equally remarkable. The Bible and Qurʾān speak with wonder of the wealth of the Queen of Sheba. Jane Stanford, Laura Spelman Rockefeller, and Joan Kroc are counted among America's greatest philanthropists.

Minorities continue to confront obstacles to success. A minority population is subject to discrimination, isolation, purges, expropriation, and massacre. The African continent was ravaged by slavery. When African Americans were eventually freed from slavery in the United States, they then encountered racist Jim Crow laws, segregation, and sharecropping. These conditions make the achievements of Paul Cuffe, an African American and Native American who lived in the late eighteenth and early nineteenth centuries, all the more remarkable. He not only attained a sizable fortune but also spent his wealth on farsighted ventures in education, religion, and emigration.

forts to transport freed slaves to West Africa and his support of other charities. Cuffe faced many obstacles, but he knew how to seize opportunity, and in so doing he became a very wealthy man.

When Cuffe died in 1817, his estate was valued by the Bristol County probate court at a little more than $20,000, including $4,119 in real estate and $14,023 in personal property. The record of his various property holdings ran to eight handwritten pages. His will left most of his personal goods and income to his wife, with a large portion of his estate to be equally shared among his children. He also left generous amounts of money to his grandchildren, siblings, and cousins, and to the Westport Society of Friends.

—Howard Bromberg

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See also: John Jacob Astor; Moses Brown; Elias Hasket Derby; Benjamin Franklin; Stephen Girard; John Hancock; Francis Cabot Lowell; Robert Morris; Samuel Slater; Stephen Van Rensselaer III; George Washington.

Hugh Roy Cullen

American oil magnate

Cullen embodied the daring spirit of the first generation of Texas oil wildcatters. His calculated gambles to find unsuspected oil reserves made him one of the richest industrialists of the 1920's. Cullen distributed more than 90 percent of his wealth to a range of charitable projects in his native state.

Born: July 3, 1881; Denton County, Texas
Died: July 4, 1957; Houston, Texas
Source of wealth: Oil
Bequeathal of wealth: Children; educational institution; artistic patronage

Early Life

Hugh Roy Cullen was born on a farm in Denton County, Texas, just south of the Oklahoma border, the grandson of a prominent politician in the early years of Texas statehood. His father died soon after Cullen was born, and his mother moved the family to San Antonio, then little more than a cattle ranching frontier town. Money was tight, and Cullen completed only the fifth grade before he started working, initially bagging candy for $3 a week. Mindful of the importance of education in the development of character, Cullen maintained a strict regimen of self-imposed studies. However, he was restless. At seventeen, he set out on his own and moved south to Schulenburg, Texas, to pursue the opportunities of cotton brokering, initially as a general office worker but quickly moving into cotton trading, maintaining a significant market in both Texas and Oklahoma.

First Ventures

In 1903, Cullen married Lillie Cranz, the daughter of a wealthy rancher. They quickly had five children, a son and four daughters. Although successful as a cotton broker with a well-earned reputation for hard work and integrity, Cullen wanted roots for his family. He moved his family to Houston in 1911 to pursue interests in real estate. Houston, incorporated only twenty years earlier, offered boom opportunities for land investment, and for more than five years Cullen worked the real estate market with tenacity and diligence, establishing himself as a force in Houston's burgeoning economy. While handling transactions involving vast tracts of open country around the Houston area, Cullen was introduced to the oil business that was just beginning to take off. At this time, southeast Texas was in the first flush of the so-called Gusher Age, in which this area of the state (and Oklahoma) would become, in a ten short years, the center of the world's richest and most lucrative oil deposits. It was an exciting time for those willing to take the risks of drilling. Little was known about the extent of the oil reserves, and companies would often go bankrupt and individual fortunes would be lost before drillers hit significant deposits. With typical daring, Cullen quickly earned a reputation as a wildcatter, willing to finance drilling in fields either outside the range of already marked deposits, and therefore considered a much higher risk, or in fields already abandoned as unpromising.

Mature Wealth

With remarkable luck, Cullen struck large deposits in quick succession in Pierce Junction, Blue Ridge, and Rabb's Ridge, among other areas. His strategy was simple: When confronted with evidence that the drilling was futile and a field was dry, he instructed his men to drill deeper. With the high-risk devil-may-care attitude that typified the first-generation Texas wildcatters, Cullen pursued gushers. He loved prospecting and was uninterested in maintaining whatever oil deposits he might find, preferring to sell them off quickly and putting that money into new ventures. His strategy worked. In 1932, he established the Quintana Petroleum Company to manage his considerable properties and extensive drilling operations. Along with his son, Cullen was a hands-on chief executive officer, visiting oil fields and often taking part in the construction of the giant derricks. He would tell reporters how much he loved to hear a gusher when it would first come in.

By the early 1930's, with the United States in a deep economic depression, Cullen, along with oil tycoons Clint Murchison, Sr., Sid W. Richardson, and H. L. Hunt, became the core of an ultraweathy social class new to Texas, who had at their command millions of dollars and who flaunted their wealth in ostentatious mansions, world travel, art collections, and all the other manifestations of a wealth beyond measure. Cullen alone of the so-called Big Four maintained a relatively modest lifestyle, although he did have a taste for expensive clothing and built a palatial estate outside Houston. Instead, Cullen began to return his considerable wealth to the Houston community he loved, giving sizable donations, notably to hospitals and schools.

In 1937, the newly opened University of Houston sent Cullen a standard fund-raising brochure that touted the new school's mission to make college education accessible to Houston's working class. The idea appealed to Cullen, and thus began his nearly twenty-five-year commitment to the university. Initially, although land had been donated for the campus, there was no money to construct buildings. Immediately, Cullen donated $350,000, sufficient to construct a liberal arts building, named the Roy Gustav Cullen Memorial Building for Cullen's son, who had died in an oil rig accident two years earlier. Cullen never wavered in his support of the university. He eventually dontated more than $20 million, including a most eccentric $2 million contribution in 1954, when the Houston football team defeated rival Baylor University. In recognition, Cullen served for twelve years as the chair of the university's board of regents.

Hugh Roy Cullen. (Time & Life Pictures/Getty Images)

In addition to his support of the university, Cullen in 1948 donated oil properties worth in excess of $160 million to establish the Cullen Foundation, which funded worthwhile projects in the Houston area. After World War II, Cullen provided considerable financing for the arts as Houston struggled to diminish its reputation as a cultural backwater. Cullen funded the city's symphony, and the Cullen Foundation later provided a world-class sculpture garden for the city's Museum of Fine Arts, named for the Cullens, and a state-of-the-art theater, the Worthham.

Although his oil drilling and his largesse became legendary in Texas, Cullen also maintained a presence on the national stage, largely through his support of conservative political causes. Initially a Democrat, reflecting his working-class background, Cullen was associated with the states-rights movement and its deep discontent with the reach of President Franklin D. Roosevelt's New Deal initiatives during the late 1930's. When discontented Southern Democrats broke with the party over the nomination of Harry S. Truman in 1948, Cullen, feisty and plainspoken, was a staunch financial backer of the Dixiecrats. When Truman won, Cullen became a supporter of Dwight D. Eisenhower, a Republican, and he ultimately contributed money to Joseph McCarthy, an ultraconservative U.S. senator. Cullen decried Communism and its threat to the capitalist system, which, in his view, rewarded hard work and commitment. In the last years of his life, Cullen also associated himself with controversial views and was a vociferous opponent of civil rights and welfare.

However, his charity work defined him in his native state. When he died in 1957, although he took generous care of his family and left an estate valued at between $250 and $300 million, it was estimated that he had given away nearly 95 percent of his accumulated wealth.

Legacy

Hugh Roy Cullen was never entirely comfortable with the millions of dollars he accumulated. In his view, nature had put the oil in the ground; he had just found it. He knew that in the oil business, luck played a major role in a person's success or failure, and he attributed his success primarily to his remarkably good fortune. It was this sort of down-to-earth sensibility that endeared Cullen to Tex-

The Cullen Foundation

In the years immediately after World War II, still smarting from his futile efforts to displace the hold of the liberalism of the late Franklin D. Roosevelt on the national Democratic Party, Hugh Roy Cullen turned his attention to Houston, Texas. There, with the advice and support of his wife, he decided to set up a massive charity foundation that would be patterned on another philanthropic institution established with oil money, New York City's Rockefeller Foundation. However, his organization would be different from the Rockefeller Foundation. Cullen directed that the mission of his foundation would be to serve the nonprofit organizations in Texas only, preferably the Houston area specifically.

It was this sort of insular logic that kept the Cullen Foundation, endowed in late 1948 with more than $160 million worth of productive oil properties in south Texas, from attracting wide national attention, even though it was among the five richest philanthropic institutions in the country. Cullen determined his foundation would focus on Texas because he wanted to return to the state what its rich earth had given him. The trustees of his foundation were his three daughters, and the Cullen family maintained an active interest in the foundation's operations into the twenty-first century.

Initially, given Cullen's lifelong interest in supporting university education, much of the foundation's funds were directed to the University of Houston, long a pet project of Cullen. However, the foundation also maintained an interest in funding medical research, and it contributed millions of dollars to the Texas Medical Center and the College of Medicine at Baylor University, among other facilities. The foundation also supported endeavors in the arts, notably the Houston Symphony and the Houston Museum of Fine Arts. In addition, the foundation donated significant amounts of money to public service organizations, such as the Boy Scouts, the Young Men's Christian Association (YMCA), a variety of inner-city athletic programs designed to address Houston's growing problems of delinquency and juvenile crime, adult literacy programs, and vocational training programs.

Unlike most foundations, the Cullen Foundation accepts and reviews grant applications throughout the year instead of during specified times. Grants are awarded nearly continuously according to need, which conforms to Cullen's own fiercely pragmatic sense of putting money to work. Over the years, the foundation has made donations ranging from a few thousand to several million dollars.

In 1970, the foundation diversified, creating three separate branches, one devoted to education, another to health care and medical research, and the third to the performing arts. Although the original oil properties upon which the foundation's wealth rested have long since been depleted, the wise management of investments has ensured that the foundation, and its mission, have survived more than fifty years of boom and bust cycles in the Texas oil business. As of 2009, the foundation had dispersed more than $400 million. In 2005, accounting records placed the market value of the Cullen Foundation at $180 million, making it among the most stable philanthropic foundations in the country.

ans. Cullen, like the other Texas oil barons of his era, had no desire to become a national celebrity. Aware that he lacked the refinement of higher education and culture, Cullen propagated an image of himself as street-smart, direct, and honest. Not surprisingly, he saw his fortune largely as a chance to give back to his community. This civic spirit of practical philanthropy is, in the end, Cullen's most sustained legacy.

—*Joseph Dewey*

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Cyrus H. K. Curtis

American magazine and newspaper publisher

Curtis capitalized on Americans' interest in periodicals in the late nineteenth and early twentieth centuries, making the Curtis Publishing Company an influential multimillion-dollar operation. He is best known for his hugely successful magazines, The Ladies' Home Journal *and* The Saturday Evening Post.

Born: June 18, 1850; Portland, Maine
Died: June 7, 1933; Wyncote, Pennsylvania
Also known as: Cyrus Hermann Kotzschmar Curtis
Source of wealth: Media
Bequeathal of wealth: Children; educational institution; medical institution; museum

Early Life

Cyrus Hermann Kotzschmar Curtis was born in 1850 in Portland, Maine, the son of Cyrus Libby Curtis and Salome Ann Cummings Curtis. His family was of average means. Curtis's artistic father named him after a Boston musician, Hermann Kotzschmar. When twelve-year-old Curtis needed money to buy fireworks to celebrate the Fourth of July, he turned to his mother for assistance. Although she gave him some change, she suggested he earn additional money to buy the fireworks. Later, Curtis met a friend trying to sell his last three copies of the *Courier* newspaper on the street. Curtis offered him three cents for all of the copies and then resold them for three cents each. With his nine cents, he bought his own copies of the *Courier* and sold these for a total of eighteen cents. To make more money, he looked for customers with no access to the newspaper and marketed the publication to them. This event marked the beginning of his publishing career.

First Ventures

Young Curtis developed a reputation for his industrious behavior and was contacted by the *Courier*'s rival, the *Portland Press*. The *Press*'s business manager offered

THE SATURDAY EVENING POST

The *Saturday Evening Post* has been published for almost three hundred years, and the publication's longevity can be attributed to the insight and dedication of several visionaries, including publisher Cyrus H. K. Curtis. Curtis was especially interested in the historical roots of the periodical, which was called the *Pennsylvania Gazette* when Benjamin Franklin founded it in 1728.

Curtis believed that men would read business articles related to their work if these pieces were written and presented accurately. When he discussed this idea with peers, he received a negative response, with his critics arguing that there was no market for a men's business magazine. Their comments did not discourage Curtis. To test his idea, he bought *The Saturday Evening Post* for $1,000 when its owner died in 1897. At this time, the magazine was a struggling weekly with only four pages. Employees at the Curtis Publishing Company fondly called the publication "the singed cat."

Curtis hired George Horace Lorimer as the editor and pressed forward with his dream. During the next five years, he spent more than $1 million in advertising costs to build circulation for the *Post*. More than forty automobile manufacturers bought full- or double-page ads in 1914, making the *Post* a national showcase for the growth of industrial businesses in the early twentieth century. The magazine published high-quality business articles and editorials, boosting its circulation to one million readers. By the 1930's, circulation had climbed to almost three million, the largest magazine circulation in the world, and the publication earned $47 million in advertising revenue.

Editor Lorimer deviated from the normal magazine content to place creative artwork on the magazine's cover. Americans soon recognized *Post* covers with Norman Rockwell paintings of family and rural life and looked forward to each issue. Rockwell, a twenty-two-year-old unknown in 1922, painted 319 covers during a fifty-year career with the *Post*, which ended in December, 1963. Inside the magazine, readers found articles and fiction by such famous writers as Sinclair Lewis and F. Scott Fitzgerald.

In 1969, *The Saturday Evening Post* was bought by a new owner who moved the editorial content toward articles about health, medicine, and disease prevention. In 2009, *The Saturday Evening Post* continued to be published six times a year by The Saturday Evening Post Society and had a subscriber base of 350,000.

him a steady income of $2 per week to cover an early-morning newspaper route. Curtis accepted, rising at four o'clock each morning for four years, delivering his newspapers, and getting to school by nine o'clock. Later, a manager at the *Portland Argus* offered him more money, and Curtis went to work for the *Argus*. However, the young entrepreneur began to dream of owning a newspaper and working for himself. In partnership with a friend, fifteen-year-old Curtis wrote and published *Young American*, a newspaper for boys, in 1863. The printing costs left the partnership in debt, and Curtis's parents dissolved the business.

Curtis bought a small handpress for $2.50 in order to print his own newspaper. When a businessman queried Curtis about the cost of advertising in his newspaper, Curtis found a new source of revenue to support his efforts. He began accepting other printing jobs in order to garner additional income. However, on July, 4, 1866, Portland was devastated by a fire that reached Curtis's home. His publishing business was lost as his family escaped with their lives and only a few of their belongings. With the family in financial crisis, Curtis left school at age sixteen to work and never attended college. He became an errand boy for a dry goods store and was later promoted to salesman.

MATURE WEALTH

Curtis moved to Boston, where he earned $2 per week more than he had received from his job in Portland. Soon he was offered an additional 25 percent commission by an advertising agency, and he sold advertisements to make extra money during his lunchtime. After a year, he struck out on his own, developing a partnership to publish the *People's Ledger* in 1872. He eventually bought his partner's interest in this publication for $600. With limited capital to invest in the *People's Ledger*, Curtis was blessed with a benefactor, W. C. Allan. Later, Curtis moved his newspaper to Philadelphia, where his printing costs were reduced by $1,500 a year. Curtis was now a hardworking, optimistic, twenty-six-year-old newspaper publisher.

Curtis eventually sold the *People's Ledger*. The owners of the *Philadelphia Press*, a newspaper with a circulation of thirty-five thousand, asked Curtis to become its manager for $15 per week and a 25 percent commission on the advertising he sold. Although he performed well, Curtis wanted to start his own publication, *Tribune and Farmer*. One specialty column in this publication, "Women and Home," gained such popularity that Curtis decided to make it a separate supplement and sold it by subscription for fifty cents per year. His wife, Louisa Knapp Curtis, who was the author of the column, edited the new supplement, called *The La-*

dies' Home Journal and Practical Housekeeper. The first issue of the publication appeared in 1883; three years later, the last three words were deleted from the title.

Curtis gave up his partnership in *Tribune and Farmer* to devote all of his time to *The Ladies' Home Journal*. The magazine prospered, and its circulation grew to 100,000 readers. Curtis secured the services of well-known writers, such as Louisa May Alcott. When he raised the subscription price from fifty cents to $1 per year, he lost some subscribers but improved his overall financial position. In 1889, Edward W. Bok became the editor, and the magazine had a circulation of 500,000. In 1904, *The Ladies' Home Journal* was the first magazine to have a circulation of more than one million.

In June, 1891, Curtis formed a stock company, the Curtis Publishing Company. The firm's board of directors agreed to buy 4,950 shares of stock with a value of $100 per share, generating capital of almost $500,000. Curtis was president of the board and held a controlling interest in the newly formed company. The Curtis Company of New Jersey was founded in 1900 and assumed the older company's business. In 1907, Curtis Publishing Company had capital of $2.5 million, which increased to $5 million in 1910. In 1929, advertising revenues for the company rose to $73 million, dropping to $67 million during the Great Depression in 1930.

Curtis became interested in *The Saturday Evening Post*, a weekly periodical that had been founded by Benjamin Franklin in 1728. However, by the late nineteenth century the periodical was poorly edited and teetered on the brink of financial demise. Intrigued by its heritage, Curtis paid $1,000 to purchase *The Saturday Evening Post* in 1897. He made the magazine a success. In 1933, *Time* magazine reported that the *Post* had a circulation of 2.9 million. With his creative spirit and sound business approach, Curtis lived to see the *Post* generate more than $22.5 million in revenue in 1932 and $47 million in 1933. In the same years, *The Ladies' Home Journal*'s advertising revenue was about $8.1 million and $15 million, respectively.

Curtis used his wealth to purchase the finer things of life. In 1922, *The New York Times* ran a story about a George Romney painting that Curtis had bought, which was valued between $60,000 and $70,000. In an interview, Curtis said his wife was the art collector, not he. He did speak fondly of his yacht, the *Lyndonia*, where he spent half of his time. The yacht, listed in his wife's name, cost $450,000.

Curtis suffered a heart attack in the summer of 1932 while he was on his yacht and was admitted to a hospital in Philadelphia. He remained in poor health until he died on June 7, 1933.

Legacy

Cyrus H. K. Curtis has been called one of the richest men in history. Adjusted to 2008 inflation rates, he was worth an estimated $43.2 billion. He was a generous man, donating to various causes, including the Franklin Institute ($2 million) and the University of Pennsylvania ($1 million). Curtis Island, for which he donated the land and the building that became the Camden Yacht Club, is where Curtis spent many summers. After his death, his daughter Mary Louise Curtis Bok established the Curtis Arboretum in Wyncote, Pennsylvania, to honor her father, who enjoyed nature. Curtis donated his Kotzschmar Memorial Organ to Portland, Maine, and Bok would later donate the Curtis Memorial Organ to Christ Church in her father's memory.

A world-renowned publisher in his time, Curtis represents the American dream of a person from humble roots with few advantages who works hard to achieve his or her goals. With little formal education, Curtis used his ingenuity and business acumen to invest and secure his goal of building a publishing business. He was known as a man of integrity who refused to allow poor industry practices or unscrupulous marketing schemes to taint his business. He understood the importance of target advertising to finance his publications. He was perhaps the first publisher to develop a research department in order to study the relationship of his subscribers and print media to advertising. Curtis believed in hiring competent editors and managers and then supported their work. He was a kind and approachable man, who used his wealth to move his business forward and to support worthwhile projects.

—*Marylane Wade Koch*

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See also: James Gordon Bennett, Jr.; William Randolph Hearst; Joseph Pulitzer.

Marcus Daly

American copper mining magnate

A poor Irish immigrant, Daly learned about mining firsthand and used his experience to develop the incredibly productive Anaconda copper mine in the Montana Territory. The mine made him wealthy, and the diversified industries associated with the enterprise attracted sufficient population to achieve Montana's statehood.

Born: December 5, 1841; Derrylea, County Cavan, Ireland
Died: November 12, 1900; New York, New York
Source of wealth: Mining
Bequeathal of wealth: Spouse; charity; medical institution

Early Life

Marcus Daly was the youngest child born into a large family of poor tenant farmers in rural Ireland. He received a rudimentary education at home from his mother. At the age of fifteen, soon after the devastating famine of 1845, he left Ireland for the United States. Arriving in New York City, he worked for five years at a number of menial jobs until he could save up enough money to travel west to California, where a married sister lived.

First Ventures

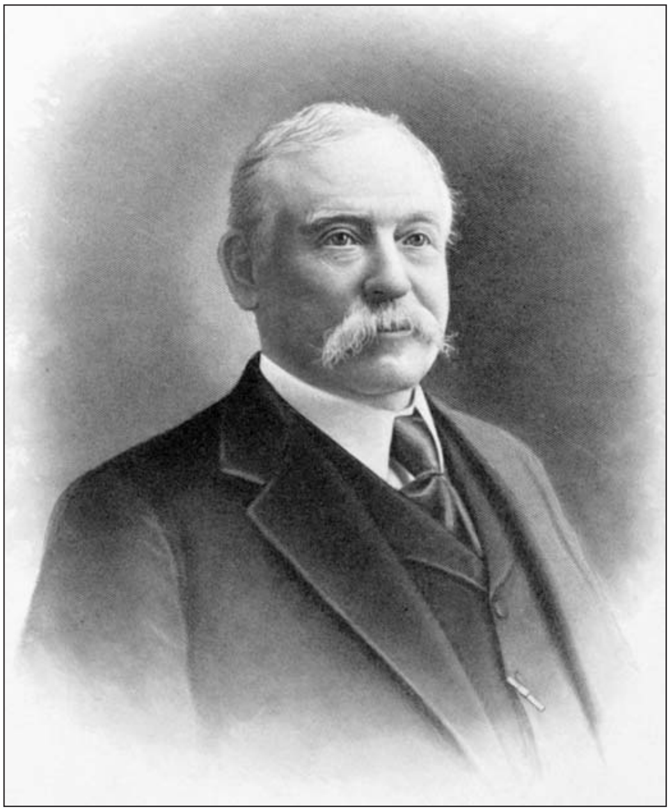
In California, Daly labored in a gold mine and rose to foreman. He used his newfound mining skills to obtain a similar position at the Comstock Lode silver mine in Virginia City, Nevada, and remained there from 1862 to 1868. Daly subsequently managed silver mines in Ophir, Utah, for the Walker brothers, a banking and mining family. At Ophir, Daly met and married Margaret Price "Maggie" Evans in 1872; they would have three daughters and a son. In 1874, Daly became an American citizen.

Late in the 1870's, Daly went to the Montana Territory to investigate other Walker mining interests. He stayed there, invested in a silver claim, and soon sold the mine for a large profit. In 1881, with financial assistance from San Francisco backers, including George Hearst (William Randolph Hearst's father), Daly bought another silver mine known as the Anaconda. The mine's true value proved to be a huge vein of copper, essential to the new industries of telegraphy and electricity.

Mature Wealth

To support the copper mine, Daly built the town of Anaconda, complete with facilities for water and power. He erected the world's largest smelter in Butte, Montana. He also built a railroad between the two towns to transport ore, and he bought up timberlands to provide fuel for the smelter. By 1890, the year after Montana became the forty-first state, Daly's copper mines were producing $17 million in annual revenues.

Daly had by now grown wealthy, and he diversified. He planted fruit orchards, founded banks, began ranching, and started breeding racehorses. His horse *Scottish Chieftain* won the Belmont Stakes in 1897. Daly also established the *Anaconda Standard* newspaper, which he used as a platform to thwart the political ambitions of rival copper magnate William Andrews Clark. He constructed Riverside, a magnificent twenty-four-thousand-square-foot mansion, near the town of Hamilton, which he also developed.



Marcus Daly. (The Granger Collection, New York)

In the mid-1890's, the Anaconda Copper Mining Company was incorporated, with Daly as president. In 1895, a Rothschild syndicate briefly entered into partnership with the company before the Standard Oil Company purchased the mine in 1899. Daly, plagued by diabetes and a heart weakened by years of hard labor, died in New York City at the age of fifty-eight on November 12, 1900. After Daly died, his wife honored his request to destroy his personal records and correspondence, depriving the world of knowledge about a man who rose from rags to riches.

Legacy

Although the Anaconda mine and smelter that Daly founded changed ownership and expanded several times after his death, these enterprises operated continuously for nearly a century, providing employment for thousands of workers before the smelter closed in 1980. In the twenty-first century, the freestanding, 585-foot-high smelter smokestack was all that remained of the facility. The towns Daly established to support his various enterprises, Hamilton and Anaconda, continued to thrive. Although the *Anaconda Standard* shut down in 1931, the Daly Mansion and the Margaret Daly Memorial Gardens and Arboretum remained popular tourist attractions. Daly's widow, Margaret, endowed the Marcus Daly Memorial Hospital in 1929, and she used her late husband's wealth to assist numerous charitable causes, including the Boy Scouts and area churches, until her death in 1941.

—*Jack Ewing*

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See also: William Andrews Clark; James G. Fair; James Clair Flood; Meyer Guggenheim; George Hearst; F. Augustus Heinze; Moritz Hochschild; John William Mackay; William S. O'Brien; Charles Rasp.

Aliko Dangote

Nigerian industrialist and merchant

Dangote, one of the most successful businessmen in West Africa, is said to be worth more than $3 billion. In 2008, Forbes *magazine ranked him as one of the wealthiest black African citizens. Only two people of African descent—Saudi businessman Mohammed Hussein Ali Al Amoudi and African American businesswoman Oprah Winfrey—were wealthier.*

Born: April 10, 1957; Kano, Nigeria
Also known as: Alhaji Aliko Dangote
Sources of wealth: Trade; manufacturing
Bequeathal of wealth: Unknown

Early Life

Alhaji Aliko Dangote (ahl-HAH-zhee ah-LEE-koh dahn-GOH-tay) was born on April 10, 1957, in Kano, Nigeria. His father, Mohammed Dangote, was a successful businessman and politician, and his mother, Hajiya Mariya Sanusi Dantata, was related to the kola nut trader Alhassan Dantata, who died in 1955 as the wealthiest man in Nigeria. As was customary, Dangote was taken from his parents at six months of age and sent to live with his grandfather Sanusi Dantata, a wealthy and successful trader. Dangote was educated at local schools, where he made pocket money selling candy to his classmates. For a time he attended Al-Azhar University in Cairo, Egypt.

First Ventures

Dangote was influenced by his family to go into business. He worked for a time for his grandfather, and in 1977 he borrowed money from Dantata to set himself up as a commodities trader, importing cement and other building materials. At first he worked out of his hometown of Kano, a large city in the north of Nigeria known for its groundnut pyramids. As he gradually expanded his business and his influence, he relocated to the then-capital city of Lagos, where he began importing cars and the massive amounts of cement needed for Nigeria's economic expansion. In 1981, he formed the corporation that later became the Dangote Group.

Mature Wealth

Dangote owns and is chairman and chief executive officer of the Dangote Group, a multinational firm spread across West Africa. The company is, at its core, a commodities trader, dealing in oil, gas, and food commodities, as well as shipping, and it also has interests in banking, vehicle leasing, and real estate. The group controls more than 60 percent of Nigeria's trade in sugar—an essential ingredient in the manufacture of beer and soft drinks. The firm also has industrial interests, including Obajana Cement, Africa's largest manufacturing plant for cement; a flour mill; salt-processing facilities; textiles; and the publicly traded Dangote Sugar Refinery, with Dangote himself as major stockholder. With control of these basic commodities, and with the rapid influx of cash when he took the Dangote Sugar Refinery public, he has made a fortune.

Dangote has used this wealth to establish himself as a key player in Nigerian politics, contributing millions of dollars to election campaigns and to private charities controlled by important politicians. There have long been suspicions that these contributions have functioned as bribes, guaranteeing Dangote favorable treatment, but no formal charges have been brought against him. There has also been criticism that while Dangote has profited, most of his workers continue to live in poverty. However, Dangote is often praised for investing his money in West Africa, rather than abroad.

Legacy

Within Nigeria and neighboring West African nations, Aliko Dangote is a household name. He is Nigeria's largest employer, as well as the man behind the Dangote sugar and Dangote flour in every home and the Dangote freight trucks on every road. As a successful businessman, he is an inspiration to younger Nigerians, who hope to be equally wealthy. Outside West Africa, Dangote is known as one of the world's richest Africans, a full participant in the global economy and an example that the wealth generated by this economy can be available to people everywhere.

—*Cynthia A. Bily*

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See also: Mohammed Hussein Ali Al Amoudi.

Francesco Datini

Italian banker and merchant

Datini rose from modest origins to amass one of the largest fortunes in early fourteenth century Italy, almost all of which he bequeathed to a charitable foundation which existed into the twenty-first century. Of even greater significance is the enormous archive of documents relating to his personal and business life that also survives in Prato, Italy.

Born: c. 1335; Prato, Tuscany (now in Italy)
Died: August 16, 1410; Prato, Tuscany
Also known as: Francesco di Marco da Prato Datini
Sources of wealth: Banking; trade
Bequeathal of wealth: Spouse; charity

Early Life

Francesco di Marco da Prato Datini, better known as Francesco Datini (frahn-CHEHS-co DAH-tee-nee), the son of a Prato innkeeper, was born around 1335. Little is known of him until 1348, when the Black Death struck Italy and all of Europe. Datini was left an orphan as the disease killed his mother, two brothers, a sister, and finally his father. His life was haunted by multiple recurrences of the plague, and his experience as an orphan informed his wishes for the distribution of his wealth after his death. Datini's father left his two remaining sons a small inheritance of 50 florins each, along with a house and a bit of farmland.

First Ventures

Datini, already an apprentice merchant at the time of his father's death, relocated in the company of other Italians to Avignon, France. This town was the home in exile of the popes during the so-called Avignon Papacy (1305-1378), and the papal court was a major center of the luxury trade. Using his meager resources, Datini engaged in the trading of numerous commodities, including armor, religious items, and especially cloth, for which Prato was a center of production. A document suggests that a relative sent Datini an amount of fine cloth, which he sold for a handsome profit. Continuing to buy low and sell high,

The Datini Archives

The legacy of Francesco Datini is twofold: He created a charitable foundation with a bequest of some 70,000 florins that in the twenty-first century continued to perform good works in Prato. Arguably, however, the greater legacy lies in the documents Datini left behind. They constitute the largest surviving collection of business papers of an individual in Europe before the nineteenth century.

In his will, Datini asked that all of his papers be preserved, and it seems that his executors obeyed. The knowledge of these documents' existence was lost in the sixteenth century, however, and they remained undiscovered until renovations were undertaken at Datini's home about 1860. When workmen broke through a wall into an unused stairwell, they discovered the contracts, letters, and account books stored in canvas bags.

The archives consist of more than 500 account books, 300 deeds of partnership, 400 insurance policies, and more than 150,000 letters. It is to the survival of these documents that Datini owes his fame. He left behind more business documents than were left by all other Florentine businessmen during his lifetime. He had branch businesses and partnerships around the Mediterranean in Avignon, Valencia, Barcelona, and Majorca, as well as in the Italian cities of Prato, Florence, Pisa, and Genoa, and he corresponded with his agents in these cities weekly or even daily. This correspondence has been partially published, although most of these publications are in Italian. From them, scholars have learned in exquisite detail the commercial activities of at least one early Renaissance entrepreneur.

While the large number of documents is unusual, it appears that Datini's business practices were similar to those of other, smaller Prato businessmen. Contracts, accounting systems, instruments of credit, and dispute resolution practices were essential to both local and international business. His personal letters—Datini wrote almost daily to his wife and almost as often to his friend, Ser Lapo Mazzei—provide a wealth of information for social and family historians. All these documents are the basis of his biographies, especially Iris Origo's book *The Merchant of Prato: Francesco di Marco Datini, 1335-1410* (1986).

The Datini Archives are housed in the home Datini built in Prato and make up the bulk of the Archivio di Stato di Prato. Since the mid-twentieth century, the Casa Datini has been the site of an annual conference on economic history, the Istituto Internazionale di Storia Economica "Francesco Datini."

he slowly built his resources into significant wealth. Profits in the luxury trade were high, significantly greater than profits from investment in either land or manufacturing.

By the 1360's, Datini owned a shop in Avignon, supplied armor to mercenaries fighting on all sides of the numerous wars, and engaged in maritime insurance and money changing (banking). He had increased his original investment to almost 10,000 florins in less than twenty years.

Datini remained in Avignon for more than thirty years. In 1376, when he was about forty years old, he married sixteen-year-old Margherita Bandini, a Florentine noblewoman in exile. The age difference between the two was typical of marriages in Italian merchant households. They had no children together, though Datini sired at least two illegitimate children. When the papal court returned to Italy in 1378, Datini soon followed. He returned to Prato and set up business in nearby Florence in 1382, leaving partners and agents to manage his affairs at his offices in Avignon.

Mature Wealth

By the time he returned to Prato, Datini was wealthy but not exceptionally so. He continued his practice of patient accumulation and reinvestment of many small profits. Over time, he became the wealthiest man in Prato and one of the richest in all of Tuscany.

His developing business interests can be seen by the guilds he joined. As he invested in the manufacture, import, export, and sale of textiles, he became a member of the cloth guild in 1383. As he sought the higher profits available through the sale of silks and other luxury items, he joined the silk merchants' guild in 1388. As he gradually moved from managing credit between his far-flung branches to handling credit for others, he joined the bankers' guild in 1399. This last membership was short-lived and ended in 1403. In the last years of his life, Datini may have lost his zeal for accumulating more wealth, and his close friends and religious advisers warned him of the sin of usury. He always denied making dishonest gains; however, he left a large sum of money for his executors to distribute to unnamed beneficiaries, perhaps to atone for usurious loans.

Business practices in early Renaissance Italy were the most sophisticated in Europe, and Datini's methods of conducting business were quite advanced. He formed frequent partnerships, both for the production and sale of local goods and for the creation of overseas branches. He and his partners joined forces for a set period of time, each contributing some share of capital, assuming that share of risk, and reaping the same share of profits. An office in Pisa was replaced by one in Genoa in 1392, and in the next year, Datini had offices throughout Spain. He also maintained his ties with Avignon. To conduct business over such distances, he corresponded with each of his agents weekly and required the same of them. He also made use of letters of exchange and letters of credit, and a complex double-entry bookkeeping system kept his accounts straight. As major partner, he insured his own shipments from losses at sea, and he gradually invested excess capital in providing the same insurance for the shipments of other merchants.

Business enterprise was an honored profession at the time, but it was also risky. Many businessmen went bankrupt. Their only protection came from diversification and wide geographical distribution. However, with greater risk came higher profits. Biographer Iris Origo calculated that Datini's profit from the manufacture of local wool was perhaps 7 to 10 percent, while for some silk and luxury goods profit could be as high as 30 percent. Profit from banking and loans was between 15 and 20 percent.

The documentation of Datini's personal account books and letters provides an unusually detailed knowledge of his life. While he was frugal about many things, especially day-to-day expenditures, he lived well and in some areas even extravagantly. Inventories of his property showed that he, his wife, and his adopted (illegitimate) daughter had many clothes, and these clothes were of rich materials compared to the attire of the family's contemporaries. Similarly, Datini ate well and took pride in serving distinguished guests lavish and unusual banquets. To his family, he could be alternately stingy or generous and it pleased him to give lavish gifts to his social betters.

The major extravagance of his mature years was his grand house, or palazzo. He had begun accumulating the necessary land for this residence even before he permanently returned to Prato in 1382, and construction began around 1390. The complex of buildings included the house, his commercial offices, stables, and outbuildings, all set within a garden stocked with exotic animals. The house was a typical arrangement of rooms around an open courtyard on two floors, plus an attic. Datini hired some of the best-known painters of Florence to decorate the interior walls with images. Documents about contracts, bills, and disputes still exist, as do some of the paintings themselves. By 1399, Datini estimated that he had spent 6,000 florins on the house and its furnishings, or about 10 percent of his total wealth at the time.

Legacy

In Datini's life, two things were important: faith and trade. His ledgers always began with some variation of the phrase, "In the name of God and of profit." The conflict between God and profit, plus his experiences with the plague and human frailty, meant that for much of his life he was anxious about his fortunes in this life and in the next. In his will, Datini made provision for both his surviving wife and his illegitimate daughter and her offspring. From the remainder of his estate, he gave a significant gift to establish a foundling hospital, the Ospidale degli Innocenti (hospital of the innocents), in Florence. In addition, he bestowed the vast majority of his wealth, including his house, personal property, and lands, to endow a charitable organization to be administered outside the usual church structures. This foundation (or *ceppo* in Italian) was to help orphans and unwanted children.

In his will. Datini also asked that all of his papers be preserved. These papers are the basis for the detailed knowledge of his business practices and personal life, and they have become known as the Datini Archives of Prato.

—*Jean Owens Schaefer*

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See also: Ridolfo de' Bardi; Orlando Bonsignori; Agostino Chigi; Giovanni de' Medici; Lorenzo de' Medici; Jacopo de' Pazzi; Filippo di Peruzzi; Filippo Strozzi.

Arthur Vining Davis

American aluminum magnate and real estate developer

Davis's vast wealth resulted from his involvement in the evolution of the Aluminum Company of America (Alcoa), of which he was chief executive officer for more than fifty years. He developed markets for aluminum products in both household and industrial uses. In later life, he became an important property developer in Florida and other locations.

Born: May 30, 1867; Sharon, Massachusetts
Died: November 17, 1962; Miami, Florida
Sources of wealth: Metals refining; real estate
Bequeathal of wealth: Relatives; friends; charity

Early Life

Arthur Vining Davis was the son of a Congregational minister, Perley B. Davis, and his wife, Mary Francis. Davis attended Roxbury Latin School in Boston and graduated from Amherst College in 1888. Through a family friend and parishioner, Alfred Hunt, Davis took a job in Pittsburgh in 1888. He earned $14 a week as one of the first five employees of the newly formed Pittsburgh Reduction Company (PRC), which used an innovative electrolytic process to refine aluminum.

First Ventures

PRC was built around an invention of Charles Martin Hall, who in 1886 patented a process for producing inexpensive aluminum. In 1887 this metal was selling for $8 a pound. Hall, with hands-on assistance from Davis, produced PRC's aluminum, a process that required constant expert attention. Both men initially worked twelve-hour days (or nights). They were able to refine about fifty pounds of aluminum a day. The company cut the price to $2 a pound, but still found few buyers.

Nevertheless, PRC's operations were sufficiently successful that it was able to take on more employees, enabling Hall and Davis to pursue more creative activities. By September, 1889, the firm was producing 475 pounds of aluminum per day and was enlarging its production facilities. The firm's fortunes further improved in 1890, when the banking firm of two brothers, Andrew Mellon and Richard B. Mellon, agreed to provide credit. By then, Davis was in charge of internal operations. During the 1890's, Davis's efforts focused on improving the production processes and reducing costs, and he spent much time close to the production line. Davis and other company officials sometimes borrowed money in their own names to cover payrolls.

Davis's effectiveness as a manager led PRC's stockholders to grant him 104 shares of stock in March, 1890. The stock was not traded publicly, but the Mellons valued it at $60 per share. Thus Davis was nominally worth more than $60,000. Another ten thousand shares of company stock were outstanding. Davis was appointed assistant general manager of PRC in 1893. By 1897, PRC was producing eight thousand pounds of aluminum a day. When Hunt died in 1899, Davis became the dominant manager of the firm. In 1910, he was formally designated as president of the company.

In 1896, Davis married Florence Holmes. After her death in 1908, he married Elizabeth Weiman, who died in 1933. Both marriages were childless.

Mature Wealth

In its early years, PRC recognized the crucial importance of patent protection, and it was the target of a patent infringement suit initiated in 1897. In 1903, PRC reached an accommodation with the Electric Smelting and Refining Company, enabling each firm to use the other's patented processes. From its beginning, PRC vigorously expanded its production capacity. By the end of 1892, the price of aluminum had fallen below $1 a pound, and output more than doubled in one year, reaching 138,000 pounds in 1893. Facilities were developed at diverse locations where electric power was cheaply available. In

1893, PRC became the first major customer for electric power from the new Niagara Falls hydroelectric complex. The firm built a facility at Shawinigan Falls, Canada, in 1901.

Expanding production was futile unless the market for aluminum could expand. Davis and his associates experimented with the manufacture of products made from aluminum, converting their oldest plants from refining to fabrication. The plant at New Kensington, Pennsylvania, was equipped with a forge, tube mills, rolling mills, and a significant casting operation. Davis supervised the process by which aluminum was rolled out in sheets to manufacture products like aluminum tea kettles. Quality control considerations led the company to enter the cookware business in 1895, producing under the Wear-ever brand. A wholly owned subsidiary, the Aluminum Cooking Utensil Company, developed door-to-door sales by college students, an activity that was thriving as late as 1938.

By 1898, PRC employed 260 workers. Davis's aggressive pursuit of new markets was demonstrated the following year, when he contracted to provide aluminum cable conductors to a utility company in San Francisco, even though PRC was not set up to make these products. Davis hastily arranged for PRC to install a rod mill and other wire and cable machinery at its plants, and soon the company had become a well-established manufacturer of aluminum wire for electrical uses. PRC also responded aggressively to the opportunities provided by the rapid growth of automobile production after 1900. In addition, the firm acquired bauxite deposits in Arkansas and began processing alumina, a white granular material properly called aluminum oxide, in East St. Louis, Illinois.

PRC's output of basic aluminum pig escalated rapidly, from 216,000 pounds in 1893 to one million pounds in 1896 and five million in 1900. By 1909, the firm had four thousand employees. The company had become profitable by 1893, but almost all of the profit was plowed back into the firm during the 1890's. Significant cash dividends began to be distributed in 1899. In 1907, PRC changed its name to the Aluminum Company of America; by 1910, the firm was commonly referred to by its acronym, Alcoa. Davis's wealth increased alongside the growth and profitability of the company.

Charles Martin Hall died in 1914, leaving two hundred shares of Alcoa stock to Davis. Hall's estate was estimated at $30 million, and most of it went to educational institutions. Davis was designated as one of the two trustees who administered the bequests. Although Davis's wealth at this time probably did not match Hall's, Davis was certainly a millionaire by then.

During its first half century, PRC/Alcoa effectively held a monopoly on aluminum refining. After its basic patents expired in 1909, Alcoa was targeted for antitrust prosecution in 1912. Davis was undoubtedly one of the architects of his firm's nonconfrontational response. The company accepted a consent decree in June, 1912, agreeing to discontinue some practices of which it had been accused, without admitting guilt.

Following America's entry into World War I in 1917, Davis played a central role in negotiations for sales of aluminum to the government. In April, 1917, Alcoa sold two million pounds to the government for 27.5 cents a pound, although the market price was around 60 cents. In September, Davis negotiated a price of 38 cents, but he agreed to refund any excess over costs as determined by the Federal Trade Commission. Most of these sales were ultimately settled for 32 cents. Alcoa's accommodating stance was rewarded, as the company was given wide latitude in determining customer priorities in times of shortage. The war gave strong impetus to the develop-

Arthur Vining Davis. (Getty Images)

ment of aircraft, with aluminum playing a large part in both fuselage construction and engine design.

Davis was involved in many aspects of Alcoa's international expansion after the war. He negotiated with tobacco tycoon James Buchanan Duke to acquire in 1925 Duke's project for hydroelectric development in Canada. This acquisition led to the installation of extensive production facilities at the new town of Arvida in Quebec, with the name "Arvida" derived from the first two letters of Davis's first, middle, and last names. Davis took an intense personal interest in the town, making sure it developed recreational, religious, educational, and medical facilities.

Despite his involvement in the development of this new Canadian town, Davis was the principal influence that led Alcoa to back away from multinational operation. In June, 1928, Alcoa transferred control of thirty-four companies to the newly created Aluminum Limited of Canada. Stock in the new company was distributed pro rata to existing Alcoa shareholders, including Davis. His younger brother Edward became head of the new firm. In 1929, Alcoa's organizational structure was changed, and Davis became chairman of the board, but without reduction in authority.

In 1925, Davis was involved in a scheme to sell off part of the Alcoa stock held by the Hall trust (the estate of Charles Martin Hall, of which Davis was a trustee) to a syndicate, of which Davis was a member. The trust beneficiaries supported the scheme, which enabled them to sell stock that paid very low dividends and receive the proceeds in cash. As a result of these sales, Davis was able to buy 61,000 shares on very advantageous terms. However, when the stock rose in value, the trust beneficiaries complained that they had been swindled. Davis was pressured into relinquishing the bulk of his newly acquired stock, valued at $3 million.

In April, 1937, Alcoa was indicted for antitrust violations, initiating one of the longest cases on record. In the summer of 1938, Davis was the principal witness for his company's defense. He was on the stand for six weeks, and his testimony extended to more than two thousand pages in the trial transcript. In July, 1942, the district court dismissed all the government's charges. In his decision, the judge remarked on "the great number of witnesses . . . competitors as well as customers of Alcoa, who have completely exculpated Alcoa from blame and have praised its fairness as well as its helpfulness to the aluminum industry. . . . Such conduct of those witnesses, nearly all of whom were entirely independent, is in great part a tribute to Mr. Arthur V. Davis." The judge also described Davis as the man "who, chiefly and primarily, has built up and made Alcoa what it is today." The federal government appealed to overturn the judge's decision, and the case continued to be heard in appellate and district courts. Finally, in 1950, a district court judge ruled against the divestiture of Alcoa.

Arthur Vining Davis Foundations

In 1952, Arthur Vining Davis established and endowed a foundation under a living trust. He was one of the foundation's original trustees, along with his brother, a nephew, and his stepson-in-law. Two other foundations, known as No. 2 and No. 3, began operating in 1965, and their structures were modeled on foundation No. 1. The first foundation operated for forty-two years before it merged with No. 2 in 2001, reducing the number of foundations to two.

According to the Web site for these foundations, Davis had "great confidence" in the founding trustees, and he instructed them to use the foundations' earnings "for programs that would, in their best judgment, strengthen our nation's future." However, he specified that the organizations' donations should be made only within "the United States and its possessions."

At the end of 2007, foundations No. 2 and No. 3 had total assets of $256 million. These organizations provide grants to institutions whose activities fall into five areas: private higher education, secondary education, graduate theological education, health care, and public television. The foundations seek to strengthen four-year liberal arts colleges that stress good teaching and where a majority of students major in humanities, science, and mathematics. They also favor schools that serve disadvantaged populations and support innovative professional development programs aimed at high school teachers. The foundations' health care emphasis is on encouraging caring attitudes, and they have provided funding for the Public Broadcasting System (PBS).

In 2007, the foundations awarded $11.8 million in grants. These grants included a donation of $350,000 to a Los Angeles television station for a documentary on Joseph Stalin and his relations with the Allies, $200,000 to Berea College for renovation of residential buildings, $200,000 to Duke University Medical Center for integrative self-care for physicians, $200,000 to Mills College for construction of a natural science facility, $200,000 to the Princeton Theological Seminary for library special collections, and $200,000 to Swarthmore College for endowment of an Arabic program.

During World War II, aluminum was once again a strategic war material, especially for the construction of aircraft. Alcoa expanded production capacity to a vast degree, building twenty-two plants that were temporarily owned and operated by the federal government. Aluminum output climbed to seven times its prewar level. Davis spent much time in Washington, D.C., coordinating aluminum sales with the government. He received a Presidential Certificate of Merit for his wartime achievements. After the war, the disposal of the government's aluminum plants was a critical element in creating new competitors and settling the antitrust case without overt penalty to Alcoa. Davis was instrumental in providing royalty-free patent access for the new competitors.

Davis largely withdrew from direct management of Alcoa by the end of the 1940's and retired from the company in 1957. He moved to Florida and became a major real estate investor. His holdings included significant properties in the city of Miami, and he had other property interests in the Bahamas and Cuba.

Legacy

Davis was a stocky man with a bulldog appearance and personality. He was notoriously egocentric and bullying. His wealth developed as he shaped Alcoa into a remarkably successful firm that provided valuable products and good jobs. Davis was able to identify and motivate talented employees to achieve technological progress and efficiency. By 1935, Alcoa was the nation's twenty-seventh largest industrial corporation. Despite the appearance of monopoly, neither its profits nor its pricing reflected monopoly behavior. Alcoa was remarkably diplomatic in its dealings with customers, competitors, and the government.

Davis left an estate of about $400 million, much of it deriving from his real estate activities through his Arvida Corporation, a Florida real estate development company. He was reportedly the fifth-richest man in America. About $300 million of his estate was distributed to his foundations.

—Paul B. Trescott

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See also: James Buchanan Duke; Charles Engelhard, Jr.; Meyer Guggenheim; Solomon R. Guggenheim; Andrew Mellon; Richard B. Mellon; Simón Iturri Patiño.

JOHN DEERE

American entrepreneur, industrialist, and merchant

Deere employed blacksmith skills, product insight, and marketing instinct to create an international business. He designed a steel plow that was the founding product for his company, the basis for one of the oldest existing businesses in the United States, and the source of his wealth.

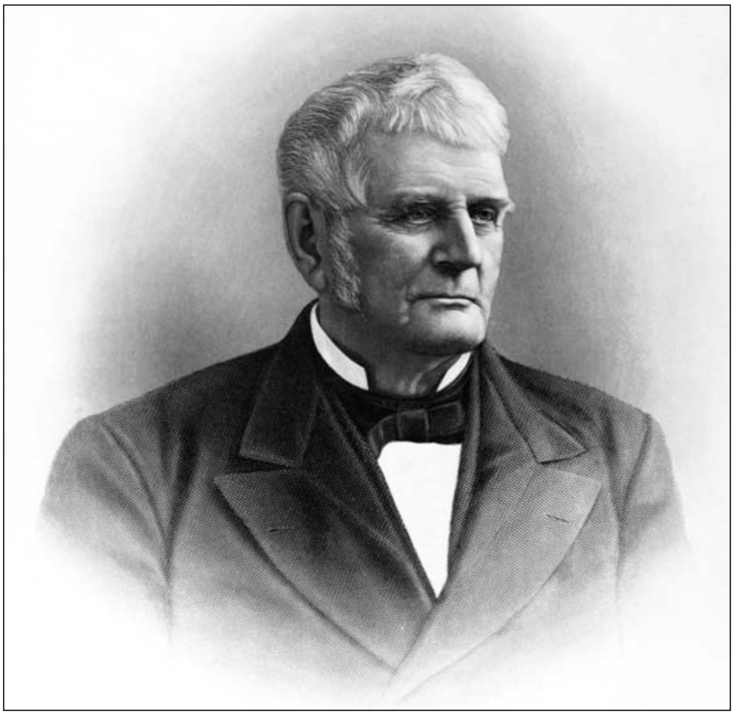
Born: February 7, 1804; Rutland, Vermont
Died: May 17, 1886; Moline, Illinois
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Children

EARLY LIFE

John Deere was born in 1804 in Rutland, Vermont, the youngest of five children of William Rinold Deere and Sarah (née Yates) Deere. A year after John's birth, William, a tailor, moved the family to Middlebury, Vermont. In 1808, William embarked on a trip to England but did not return. Since the family's income was modest, Deere received a basic education at the local school, and at the age of seventeen he was apprenticed as a blacksmith to Captain Benjamin Lawrence. In exchange for four years of service to Lawrence beginning in 1821, Deere earned his room and board, clothing, a modest income, and the essential skills necessary to be a good craftsman. Afterward, Deere honed his skills as a journeyman, working for several other blacksmiths, before opening his own shop.

FIRST VENTURES

Deere continuously sharpened his skills and soon earned a reputation as a fine craftsman. After marrying Demarius Lamb in 1827 and starting a family, Deere borrowed funds to buy land and build his own smithy. On two separate occasions fire destroyed the shop, leaving Deere in debt at a time when Vermont was suffering from an economic depression. Because of bleak local circumstances, Deere chose to venture west to seek his fortune. In 1836, he temporarily left his family behind and followed several other Vermont natives to Grand Detour, Illinois. In this new community, Deere quickly found high demand for his blacksmith skills. Within two days of his arrival, Deere's forge was in operation.

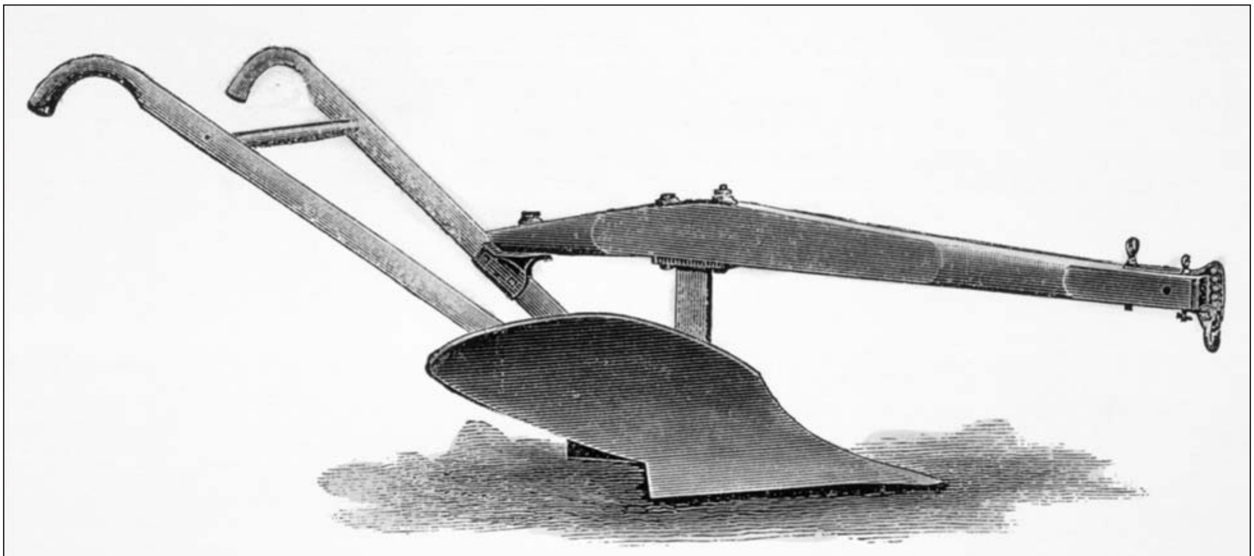


John Deere. (©Bettmann/CORBIS)

MATURE WEALTH

Soon after arriving in Illinois, Deere learned that wooden and iron plows stuck in the rich midwestern soil, making the task of cultivation a difficult one for farmers. Deere experimented, at first using an old abandoned sawmill blade, and he concluded that highly polished steel and a newly shaped moldboard would improve tilling. In 1838, in partnership with Major Leonard Andrus, Deere built and sold three steel plows. Over the next few years, Deere's business continued to grow; by 1846 his company was manufacturing one thousand plows annually.

As the need for raw materials and improved transportation services increased, Deere decided to relocate his business seventy-five miles southwest, along the Mississippi River in Moline, Illinois. Leaving his old partner behind, he took on new associates Robert N. Tate and John M. Gould. This affiliation allowed Deere to concentrate on sales and marketing. The associa-



A wood engraving of John Deere's steel plow. Deere's invention was the founding product for his company and the source of his wealth. (The Granger Collection, New York)

tion lasted until 1852. In the following year, Deere's son Charles entered the company as its bookkeeper.

By 1857, Deere's company was producing ten thousand plows annually but was also suffering from cash flow problems. The firm was in jeopardy during the Panic of 1857, but reorganization gave Charles management control. With John as the president and Charles overseeing daily operations, the company avoided bankruptcy. In 1863, John's son-in-law Stephen H. Velie joined the company, and Deere helped organize the First National Bank of Moline. Demarius Deere died in 1865, and John married her sister Lucinda in 1867.

After operating for thirty-one years as a partnership or single proprietorship, the business in 1868 incorporated under the name John Deere & Company. Deere became the second mayor of Moline in 1873. Thirteen years later, Deere died in Moline at the age of eighty-two.

Legacy

While John Deere was not the first person to manufacture plows from steel, his determination, perceptiveness, energy, and ingenuity resulted in a product that made his name synonymous with the steel plow industry. He designed and sold a workable plow for homesteaders who were transforming American prairie lands into productive farmlands. By designing reliable agricultural equipment, modernizing production, and using innovative marketing, Deere established an industrial empire.

—*Cynthia J. W. Svoboda*

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See also: Peter Cooper; George Eastman; Thomas Edison; Cyrus Hall McCormick; Samuel F. B. Morse; George Mortimer Pullman; Isaac Merrit Singer; George Westinghouse.

Michael Dell

American entrepreneur, computer engineer, and industrialist

Dell is one of the wealthiest technology magnates in the United States. He proved that a direct-order system for selling computers could work and could also be very profitable. He and his wife have established a foundation that seeks to end world poverty and to improve urban education.

Born: February 23, 1965; Houston, Texas
Also known as: Michael Saul Dell
Sources of wealth: Computer industry; sale of products
Bequeathal of wealth: Charity

Early Life

Michael Saul Dell was born in 1965 in Houston, Texas. He attended school there and was an average student. He was successful in other endeavors, making more than $10,000 by selling the *Houston Post* newspaper. He also gained experience with computers and began thinking about the computer business.

Michael Dell. (AP/Wide World Photos)

Dell attended the University of Texas at Austin, and while in college he started his own computer firm, PC's Limited, in 1984. His company soon proved successful. Dell obtained additional capital from family members and dropped out of school to devote himself to his business. Although he did not graduate from the University of Texas at Austin, he later donated more than $50 million to the school. In 1989, Dell married Susan Lieberman, who had worked in commercial real estate and owned a fashion boutique. The couple had four children and made their home in Austin.

First Ventures

In 1987, PC's Limited changed its name to Dell Computer Corporation, and since 2003 the company has been called Dell, Inc. In its early years, the company initiated a number of innovations. Rather than simply selling personal computers, the company let customers adapt its products to meet their needs. The firm also sold and advertised its products directly to the public instead of in retail stores or other venues, and its advertisements listed product prices. These practices enabled the firm to turn a profit and to generate millions of dollars worth of revenue.

Mature Wealth

Michael Dell continued his practice of advertising prices and selling directly to the public. He also managed to convince the public to buy his computers without testing them first. Conventional wisdom at the time was that people would want to try out a personal computer before purchasing it. Dell, however, gambled that his products' reduced prices and custom-ordered features would outweigh customers' desire for a trial run. He was right, and his business boomed. In addition to selling to individuals, the company garnered lucrative contracts with major businesses and the government.

Dell Computer Corporation grew rapidly from 1987 through the early 1990's, expanding its customer service and technical support departments to keep up with customers' demands. However, in 1993 and 1994 the company had a series of setbacks. The company's rapid hiring failed to keep pace with its sluggish revenue growth. The firm also miscalculated market demand for its laptop computers and other products. As a result, the corporation lost money for the first time in 1993. Michael Dell hired some experienced managers and introduced new products. He also stopped selling his computers in retail stores and refocused his marketing efforts on direct sales, eventually enabling customers to order products via the telephone or the Internet.

After 1995, the company grew quickly; by 1998, it proclaimed itself to be the largest desktop-computer seller in the world and one of the largest overall computer sales companies. The next step was to move into the peripheral market, including the market for printers and servers. Dell Computer sought to become a one-stop shop, where customers could purchase all computer-related products and accessories, and where these products would be compatible. Company sales suffered after the terrorist attacks on September 11, 2001, and Dell had to lay off thousands of employees. The company, however, continued to gain market share. However, by the mid-2000's, other computer companies had caught up with Dell. Starting in 2002, the corporation tried selling its products at retail kiosks and opened a store, but these efforts failed. Dell was more successful in its partnerships with Wal-Mart Corporation, Sam's Club, Best Buy, and other retailers who sold its products.

Michael Dell remained chief executive officer of the company until 2004, when he stepped down and became chairman of the board; he reassumed the position of chief executive officer in 2007. At this time, Dell, Inc., sought to expand into developing markets, including those in Brazil and Russia.

Michael Dell's personal worth significantly declined as a result of the economic recession that began in 2008. It is estimated that his wealth decreased about 25 percent between 2001 and 2009, but he still was worth about $12 billion. He was number 37 on *Forbes* magazine's 2010 billionaires list, with an estimated net worth of $13.5 billion. Dell has been involved in philanthropic efforts. He and has wife established the Michael and Susan Dell Foundation, which seeks to improve education and childhood health and to eliminate urban poverty.

The Michael and Susan Dell Foundation

In 1999, Michael Dell and his wife Susan established a foundation that, in the words of its Web site, supports "children's causes as a way to make an even greater difference in a measurable way, particularly for those children living in urban poverty." The foundation focuses on three areas—urban education, childhood health, and the economic stability of families—and has provided assistance in the United States, Africa, and India.

About one-third of the foundation's grants are allocated to education. The organization has identified areas in the United States where large school districts are underperforming and seeks to improve education through the use of technology and by providing scholarships to encourage children to attend college. In addition, the foundation addresses literacy issues in areas outside the United States.

The organization also seeks to improve childhood health, particularly in India, where there are no health care services in many urban slums. Among its services, the foundation provides meningitis vaccinations and supports clean water initiatives. In the United States, the organization is addressing childhood obesity, which some medical experts claim is epidemic and has increased the incidence of type 2 diabetes in children. Michael and Susan Dell's work on behalf of health care is evident at the University of Texas at Austin, where the couple have financed construction of three medical facilities: Dell Children's Medical Center, Dell Pediatric Research Institute, and the Michael and Susan Dell Center for Advancement of Healthy Living. In the area of family economic stability, the foundation has provided small loans for families and is developing measures to determine whether these loans are effective.

Legacy

Michael Dell was one of the pioneers of the personal computer industry, developing techniques for manufacturing and marketing these products. In the early 2000's, his company was the most profitable computer manufacturer in the world. Although it eventually was eclipsed by other companies, Dell, Inc., remained one of the largest computer manufacturers. The company successfully employed both the direct-marketing concept, selling its products directly to end users instead of offering computers in retail stores, and the customization of computers to customers' specification. Through his foundation, Dell has sought to improve the lives of children, and he has also made generous donations to the University of Texas at Austin.

—Scott A. Merriman

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Sergey Brin; Mark Cuban; Larry Ellison; Bill Gates; Steve Jobs; Gordon E. Moore; David Packard; H. Ross Perot.

Elias Hasket Derby

American merchant

Derby contributed to the growth of commerce and prosperity in Salem, Massachusetts, while amassing the largest fortune in the United States in the eighteenth century. The privateers of Salem, many of them financed and owned by Derby, contributed significantly to the sea defense of the colonies during the American Revolution. After the war, duties imposed on imports from the east Indian trade provided revenue for a stable federal government.

Born: August 16, 1739; Salem, Massachusetts
Died: September 8, 1799; Salem, Massachusetts
Also known as: America's First Millionaire
Sources of wealth: Trade; shipping; privateering
Bequeathal of wealth: Children

Early Life

Elias Hasket Derby was born on August 16, 1739, in Salem, Massachusetts, the son of Richard Derby, Sr., a Salem sea captain and shipowner. Derby's two brothers became sea captains, while he was trained as a merchant in his father's counting house. At the age of fifteen, having studied naval architecture and maritime trade, he was already keeping his father's accounts. Richard Derby, Sr., retired by 1760, sending his ships out under other captains, including his sons Richard, Jr., and John, and entrusting Derby with control of the land operations of the family business.

In 1762, Derby married Elizabeth Crowninshield. The couple moved into a brick Georgian-style house that Richard, Sr., built for them. Their home was the earliest brick house in Salem and one of the finest surviving examples of Georgian architecture. From the windows of this house, where his seven children were born, Derby could look out on the Derby Wharf and supervise the loading and unloading of his ships.

First Ventures

Shipping was an enterprising and profitable industry in coastal New England in the mid-eighteenth century. Able captains and shipowners were also traders, buying goods in one port to sell at a profit in another. The Derby ships carried New England products, such as lumber and fish, to the West Indies, where they would take on cargoes of molasses, sugar, and coffee, then sail on to Spain, Gibraltar, and Portugal for luxury goods, such as wine, furniture and, fine textiles. Shipping was a risky business. During the late colonial era, hostilities between the British and French interfered with the trade upon which Salem depended. French privateers in the West Indies captured many Salem vessels, including numerous Derby ships, selling the ships and their cargo and ransoming their crews. In 1760, Derby, his father, and his brother Richard Derby, Jr., were among the signers of a petition to the colonial governor requesting a convoy for protection of the commercial fleet.

Finding the British government's tariffs and restrictions on colonial trade oppressive, the Derbys were among those who supported the movement for independence from Great Britain. Derby and Richard, Jr., were members of the Salem regiment when hostilities broke out in 1775. Captain John Derby, sailing in a fast Derby ship, was the first to carry the news of the Battle of Lexington to London and to return to the colonies with the British response.

Mature Wealth

When war was declared, Derby was ready. His first privateer, the *Sturdy Beggar*, set sail in 1776, capturing several British merchant ships, selling their cargoes, and ransoming their crews. The Salem merchant fleet turned to privateering against the British in earnest. By 1778, privateering had become one of Salem's principal industries, with larger and faster ships being built and armed specifically for the purpose of capturing British ships. The privateers were commissioned by the Provincial Congress to interfere with British commercial and naval operations, but the profits went to the shipowners. Derby underwrote more privateering ventures than any other individual in the American colonies. He was lucky; he lost only one ship during the revolution. He was also an innovator, bringing shipbuilders to Salem to construct the strongest and fastest ships. Privateering during the American Revolution offered employment for Salem's men, provided scarce goods to the colonies, and contributed a considerable part to the American war at sea. Privateering during the revolution also made Derby a wealthy man.

When the war ended in 1783, Derby looked east for new markets, new ports, and new uses for his strong, fast ships. The traditional West Indian ports, controlled by the British, were now closed to the Americans. However, the Indian Ocean was now open to American vessels since they were no longer restricted by the British East India Company's commercial monopoly. Derby was a leader in reinventing American commerce. In 1784, he sent the first American ship to St. Petersburg. Yankee ships began to venture farther east from bases in Cape Town and Mauritius, buying and selling cargoes of tea, spices, silks, and porcelain. By 1785, when he sent his first ship to China, Derby was already the wealthiest merchant in Salem. The ship *Grand Turk* had been built for him as a privateer in 1781; in 1785, it was one of the first American vessels to arrive in Canton.

In 1787, Derby launched his family in the India trade. A Derby ship was the first to fly the American flag in Calcutta harbor, and Derby ships were the first to carry cargoes of cotton from Bombay to China. Derby was the first Salem merchant to employ a supercargo (business agent) on his ships. He sent his son Elias Hasket Derby, Jr., known as Hasket, on the *Grand Turk*. Hasket spent three years on the island of Mauritius, selling the ship's cargo of American products and then selling the *Grand Turk* itself, buying two more ships with the proceeds. Hasket ultimately returned to Salem with goods from India that were sold at an enormous profit at his father's store on Derby Wharf.

Derby ships never took part in the slave trade, and Derby was considered a benevolent employer. He was reputed to provide fresh vegetables to his seamen, a provision that was unusual in his day. He also took care of the

The Derby Summer House

The Derby Summer House was designed for Elias Hasket Derby in 1793 by Samuel McIntire, the most prominent wood-carver, house builder, and cabinetmaker in Salem, Massachusetts. McIntire constructed the house on Derby's farm in Danvers (now part of Peabody), Massachusetts, during the summer of 1794.

The lovely Summer House is a rare and important example of American Federal architecture. It is a two-story structure located in the center of a formally landscaped garden. The lower story is entered by an arched entrance, which was originally open and designed for shelter from the rain. The room above was designed for tea or a light afternoon meal. This peaceful and serene room, with its coved ceiling, paneled wainscoting, built-in cupboards for tea implements, and ornamental Chinese figures, is a cool and lovely place with a view of the beautifully landscaped gardens below.

The Summer House, with its Palladian character and exquisitely carved details, epitomizes the American Federal style of architecture as practiced by McIntire. The roof is dominated by two figures, known as the Reaper and the Milkmaid, which were carved by the Skillin Brothers of Boston. The urns on the roof, the festoons over the windows, and the columns were carved by McIntire himself.

In 1901, Ellen Peabody Endicott, the wife of William Crowninshield Endicott, Sr., bought the Summer House and had it moved to her summer house and farm, Glen Magna, located four miles away in Danvers. The Summer House remained there in the twenty-first century, sited in gardens designed by Frederick Law Olmsted and George Heussler. The Endicott family owned Glen Magna until 1958, when Louise Thoron Endicott, the wife of William Crowninshield Endicott, Jr., willed it to the Danvers Historical Society. The Derby Summer House has been listed on the National Register of Historic Places since 1968. The Glen Magna house and gardens are a popular spot for weddings and other functions, and the gardens and Summer House can be visited and enjoyed by the public.

families of his employees who died or were disabled in his service.

In the postrevolutionary period, some of Derby's wealth was spent on commissioning and building a number of Salem's important Federal-style houses. In 1780, Derby and his wife Elizabeth had commissioned Salem carpenter Samuel McIntire to build them a larger house next door to their brick Georgian house on the waterfront. With Derby patronage, McIntire would become a significant New England wood-carver and architect. The Derbys never occupied the new house. Elizabeth Derby was an ambitious woman who desired a house in a newer, more fashionable neighborhood, away from the noises and odors of the commercial waterfront. An uptown mansion was purchased and restored with many McIntire details. At the same time, a grand mansion house was planned. Initially designed by Boston architect Charles Bulfinch, the final design was executed by McIntire. The ornate Derby Mansion was completed in 1799. Derby and Elizabeth occupied it for only a few months, as first Elizabeth and then Derby died in 1799. At the time of his death, Derby's fortune was worth more than $1 million, earning him the title of America's First Millionaire.

LEGACY

Elias Hasket Derby's legacy was his contribution to the development of an American style of architecture. His patronage gave Samuel McIntire the opportunity to design some of America's most significant eighteenth century buildings. Derby also provided patronage to landscape gardener George Heussler, whom Derby hired in 1790. Heussler worked on both of Derby's town residences and his farm, and he was responsible for a new style of beautifully landscaped gardens at the homes of the wealthy in Essex County, Massachusetts.

Derby died within a few months of moving into his grand mansion, and his eldest son, Elias Hasket Derby, Jr., inherited Derby's farm and mansion. Derby's son lived in the mansion for a decade before putting it up for sale and moving to Charlestown. The trade embargo and the War of 1812 had damaged Salem's economy, and no buyer was found for the large and elaborate residence. In 1815, the mansion was torn down and the land given to the town for a permanent market, which eventually became Derby Square.

—*Susan Butterworth*

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See also: Moses Brown; Paul Cuffe; Benjamin Franklin; Stephen Girard; John Hancock; Robert Morris; Samuel Slater; Israel Thorndike; Stephen Van Rensselaer III; George Washington.

Charles Henry de Soysa

Sri Lankan landowner, agriculturist, and merchant

De Soysa, a native of Ceylon born to privilege, distinguished himself during the height of British colonial rule by his efficient development of thousands of acres of fertile farmland, as well as the use of his wealth to fund hundreds of public projects of benefit to his country.

Born: March 3, 1836; Muratuwa, Ceylon (now in Sri Lanka)
Died: September 29, 1890; Muratuwa, Ceylon
Also known as: Sir Charles Henry de Soysa
Sources of wealth: Inheritance; real estate; agricultural products
Bequeathal of wealth: Children; charity; medical institution

Early Life

By the time Sir Charles Henry de Soysa (dah SOY-sah) was born in 1836, his father, Jeronis, was among the wealthiest traders in southwest coastal Ceylon (now Sri Lanka). By cooperating with the British colonial government, Jeronis de Soysa prospered, trading in commodities, such as coffee, cinnamon, and coconut. During the nation's economic downturns, he enhanced his wealth by purchasing thousands of acres of relatively cheap but fertile farmland.

An only child (his sister died in infancy), young Charles grew up mindful that this financial empire would be his inheritance. However, in ways that would foreshadow his later life, the young boy respected the reach and magnitude of his father's financial resources, as well as his father's willingness to dedicate large sums of money to the public good, building roads, irrigation systems, schools, and hospitals in the impoverished towns that serviced his plantations.

First Ventures

At eighteen, de Soysa was among the first class accepted at St. Thomas College in nearby Mutwal. Poor health would compel de Soysa to return to his family estate, and he would complete his general education with tutors. However, his father provided him an invaluable education in entrepreneurship and estate management by arranging for de Soysa to receive additional training from internationally renowned tutors with backgrounds in business and finance.

In 1862, when de Soysa was twenty-six, his father died suddenly. De Soysa was prepared for this death, and he quietly assumed control of his father's multimillion-dollar commodities empire. In 1863, de Soysa married the only daughter of another wealthy Ceylonese planter. The combined wealth of both families gave the young couple a celebrity and influence that were enjoyed by few Ceylonese. However, even as he moved his young bride into a lavish mansion on more than 130 acres on the outskirts of Moratuwa, and even as his family grew to fourteen children, de Soysa had little interest in cultivating an ostentatious lifestyle. One of his few indulgences was the purchase of ornamental birds, like peacocks, and he also enjoyed watching the movements of a herd of his own elephants. Out of respect for his father, he was dedicated to expanding the resources his father had left him in order to pay tribute to the man who had shaped de Soysa's moral vision of wealth as a means to achieve significant public good.

Mature Wealth

With relatively minor investments in cinnamon, citronella, and coconuts, de Soysa recognized the danger of relying too heavily on Ceylon's fickle coffee crop, as his father had done. De Soysa controlled thousands of acres of coffee plantations, enough to survive the crop's numerous cycles of failure. During a cataclysmic coffee bust in the 1880's, when the crop was destroyed by a fast-spreading leaf disease, de Soysa's enterprises were among the few to prosper. However, he looked to expand his agricultural concerns into more stable crops, notably tea, that were amenable to Ceylon's growing season. Within a decade, his tea was among the most popular products in the British Empire, valued for its light color and sweetness.

A savvy and visionary manager, de Soysa reorganized his father's farming estates, reducing staff, expanding benefits for workers, and emphasizing efficient crop storage to lessen the likelihood of spoilage and rot. He expanded his range of agricultural interests by importing cattle from Australia and India; the cows were used for their milk, and the bulls were used to transport produce among de Soysa's more than sixty estates, with a total of nearly twenty-five thousand acres. He purchased tracts of prime land with the hope of future development and invested in mining operations.

His interest in improving the efficiency of his agricultural operations never waned. Indeed, he gave the colonial government a considerable amount of money and nearly one hundred acres near Kanatte in order to set up an experimental model farm, on which agricultural research promoted technological advances in irrigation systems and crop rotation practices. Not everything he tried succeeded, including a catastrophic attempt to raise cotton, but de Soysa became renowned for his entrepreneurial spirit, his support of agricultural research, and his dedication to expanding the cash crop base of his island country.

However, what made de Soysa a legendary figure among the people of Ceylon was his unparalleled interest in philanthropic enterprises. Despite being the richest Ceylonese of any era, de Soysa was known for mingling among working-class people, talking and laughing with the poorest. He made charitable contributions without the expectation of recognition; for de Soysa, wealth was a means to an end, not an end in itself. Modest, self-effacing, and humble, he sought simply to help as many of the needy as he could. From the moment he controlled his family's holdings, he directed that a significant part of his inheritance would be distributed to local communities. Although most of his donations financed public works projects, such as hospitals, schools, road systems, and railroad tracks, he always welcomed individual petitioners who came to his home in search of financial assistance. De Soysa's biography recounts his encounters with people seeking funds and his acts of charity, which were marked by fabulous signs of divine pleasure.

In connection with the much publicized state visit of the Prince and Princess of Wales to Ceylon in 1875, de Soysa financed the construction of and provided funding for the staff and faculty for two preparatory schools in Moratuwa that were named in honor of the visiting royalty when the schools opened in 1876. He constructed clinics to serve the country's poorest inland territories. At the height of the coffee crisis, de Soysa awarded an

De Soysa Hospital for Women

As a generous philanthropist concerned with the welfare of the indigent and passionately committed to public causes for which there were clear and evident solutions, Ceylonese entrepreneur Charles Henry de Soysa took up the plight of poor women, who in the mid-nineteenth century often faced the difficult trials of childbirth without hospital care. Although the medical system, which received the patronage of British colonial officials, provided substantial health care for most Ceylonese, the nation's poorest people did not benefit. Indeed, in the late 1870's, when de Soysa, himself the father of fourteen children, was first made aware of the dimensions of the problem, Ceylon's underclass had one of the highest infant and maternal mortality rates in Asia.

Typical of his legendary magnanimity, de Soysa committed all the funds necessary to begin construction of what would be only the second lying-in hospital in Asia, a facility designed to provide medical care during the final stages of pregnancy and after childbirth. With de Soysa's backing, property was secured in Moratuwa, the home base of de Soysa's economic empire, and on December 13, 1879, the De Soysa Lying-in Home was opened. The facility had twenty-two beds and supervised fifty-two births during its first year of operation. The hospital continued to receive financial assistance during de Soysa's lifetime and after his death in 1890.

The hospital succeeded in its mission, not only providing cutting-edge care without charge to the poor but also serving as a teaching hospital, where midwives and nurses were trained to assist in childbirths. Within fifteen years, the number of deliveries at the facility had risen to more than five hundred annually. During the early twentieth century, the hospital broke new ground in Ceylonese medicine, conducting the nation's first successful cesarean section in 1905, opening the country's first fully equipped operating theater in 1907, and accepting the first class of students trained in obstetrics and gynecology in 1915. By the 1920's, the facility was assisting in more than two thousand births annually and had branched into providing preventative care for a variety of early infant illnesses.

In 1940, a new administrative office building was added to the facility, which was then renamed the De Soysa Hospital for Women. In conjunction with the newly opened University of Colombo, the hospital took the lead in training a new generation of physicians and nurses in maternal and infant care. After Sri Lanka's independence, the facility pioneered the introduction of family planning and education about safe sex practices. Beginning in the 1980's, the hospital expanded its services to treat medical disorders in pregnant women that threatened the health of their babies. The facility opened its first intensive care unit in the early 1990's. De Soysa Hospital for Women has been recognized by UNICEF (United Nations International Children's Emergency Fund) for its exemplary dedication to the welfare of children, its first-rate training program, and its mission to provide Sri Lanka with top-notch maternity care.

acre of prime farmland to each of one hundred families devastated by the economic collapse. An Anglican, de Soysa nevertheless paid for the construction of Buddhist temples, recognizing the central position that this religion held for the Ceylonese people. He donated vast sums to build and staff new hospitals, both in Ceylon and in London, including several facilities devoted to the treatment of children's diseases.

On August 2, 1890, de Soysa was bitten by a rabid street dog and on September 29, he died from complications of the attack. He was only fifty-four years old. His death was an occasion of unprecedented national mourning. His funeral, held two days after his death, was said to be the largest single public gathering in Asia in the entire nineteenth century. His estate was later set at more than a million rupees, excluding his numerous property holdings. It remains the largest individual estate in Sri Lankan history.

Legacy

The achievement of de Soysa, whose accumulated wealth matched or exceeded most Victorian-era magnates, never secured international attention, largely because he did not seek such celebrity. His legacy is his unselfish devotion to his country. At a time when Ceylon, as a British colonial outpost, was uncertain of its own cultural identity, de Soysa emerged as his tiny island's most powerful figure. His interest in developing new technologies for addressing agricultural production problems and his visionary sense of opening Ceylon's economic markets to a wider variety of crops make de Soysa one of the most important Sri Lankans of any era. However, his legendary acts of munificence and his genuine compassion for the problems facing Sri Lanka's poorest classes have secured for him a place of profound respect and near-worship in his home nation, undiminished more than a century after his death.

—*Joseph Dewey*

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See also: Ninth Duke of Bedford; John Deere; Cyrus Hall McCormick.

Clarence Dillon

American investment banker and wine connoisseur

In the era immediately following World War I, a period associated with reckless speculation and extravagant spending among the wealthy, Dillon maintained a quiet, bold, gentlemanly pragmatism that enabled him to broker some of the decade's most significant financial transactions. These deals made his investment bank—Dillon, Read, and Company—among the most influential institutions of its era.

Born: September 27, 1882; San Antonio, Texas
Died: April 14, 1979; Far Hills, New Jersey
Also known as: Clarence Lapowski (birth name)
Source of wealth: Banking
Bequeathal of wealth: Children; relatives

Early Life

Samuel Lapowski, a penniless Polish Jew who had immigrated to the United States in the 1870's, arrived in San Antonio, Texas, in 1878. The town was already shaking free of its cattle culture provincialism. Railroad service enabled the city to become a destination for immigrants searching for opportunities that were disappearing in the industrial Northeast. Lapowski opened a clothing business. He married, and in 1882 his only child, Clarence, was born.

Lapowski, who wanted his son to realize the fullest promise of their adopted country, saw education as the foundation of that success. The family became naturalized citizens in 1891 and Lapowski changed his family's name to Dillon, an Americanized version of his French mother's maiden name. The clothing business thrived and the family relocated to Abilene, Texas. Samuel arranged for Clarence to attend the prestigious Worcester Academy in Massachusetts, a preparatory school considered a feeder campus for Harvard University.

First Ventures

His years at Harvard gave Clarence Dillon his first taste of the sophisticated world of the wealthy. He loved the patrician lifestyle and was given the nickname Baron. When he completed his education at Harvard in 1905, he was the only graduate to own a car. Dillon married Anne McEldin Douglass in 1908. Shortly before his marriage, he had been injured in Milwaukee, when, as he was waiting at a railroad station, an express train rode through at full speed at the same time that a Saint Bernard was crossing the tracks. The train hit the large dog, throwing its body at the crowd at the platform and injuring Dillon's skull, which put him in a coma for a week. The couple took an extended two-year tour of Europe after the wedding, primarily in Switzerland and in southern France, where Dillon came to love the picturesque vineyard country. When Dillon returned, at the recommendation of a Harvard classmate he joined the prestigious brokerage firm of William A. Read & Company, which was among the oldest Wall Street operations, dating back to 1832. Over the next eight years, Dillon demonstrated a remarkably facile mind for banking, quickly rising to partner and then to the presidency of operations. The firm's name was changed to Dillon, Read & Company in 1920.

Mature Wealth

At a time when many bankers and stockbrokers encouraged clients to speculate and pursue high-risk investment strategies in order to make quick fortunes, Dillon was strikingly different. His style was quiet, low-risk, low-key, and conservative. He practiced relationship banking, depending on his expanding network of contacts to influence decisions regarding the direction of bank projects. Dillon buttressed his investment decisions with research, creating a business strategy for his company. His firm's reputation grew, and Dillon, Read was asked to direct the banking operations for Germany's payment of its massive war reparations as part of the armistice that ended World War I.

During the 1920's, Dillon established himself among the foremost financial giants of his era, known for visionary projects, often bold and daring, that he executed with a methodical passion for details. Dillon, Read would buy corporations with outstanding debts, then bring in new management teams to operate these firms, in turn generating huge profits for Dillon, Read.

Dillon's reputation largely rested on his involvement in two headline-making financial deals. Goodyear Tire and Rubber Company, which had made its fortune in bicycle tires, had attempted to expand into the new and potentially lucrative automobile market, but with disastrous mismanagement the company became overextended, verged on bankruptcy, and eventually went into receivership. In 1921, Dillon replaced Goodyear's management team and without court assistance brokered a settlement that satisfied the company's bankers, creditors, stockholders, and employees. Drawing on his network of Ivy

League associates, Dillon raised more than $100 million for the struggling company. Within five years Goodyear was the largest rubber company in the world. In 1925, Dillion outbid the legendary J. P. Morgan to purchase Dodge Brothers Motor Car Company, which was struggling with mismanagement after the deaths of its original founders. Dillon paid $146 million for the automobile firm, then the largest cash transaction in the history of American business. Despite heroic efforts to redirect the company's operations, within three years Dillon arranged the sale of Dodge to the Chrysler Corporation.

During his twenty years directing operations for Dillon, Read, Dillon set a style of quiet negotiations and conservative investment policy. Although not particularly dazzling, this style guaranteed long-term fiscal stability for the firm and a reputation for reliability and success. Indeed, in the financially strapped 1930's, New York City hired the firm to underwrite construction of the Triborough Bridge. In addition, Dillon, himself a connoisseur of European living, directed the expansion of banking operations overseas. By World War II, Dillon, Read was one of the most influential investment banks in the world and Dillon among the richest men in America.

During his half-century tenure at the firm, Dillon maintained an affluent lifestyle that he believed wealth should bring. In negotiations, he was courtly, gentlemanly, and patient. His lifestyle was sophisticated, cultured, always tasteful, and the very embodiment, despite his Jewish heritage, of an East Coast white Anglo-Saxon Protestant. His family was never rocked by scandal, his international banking operations were never investigated, and his reputation was never tarnished with gaudy excesses typical of first-generation wealth. At the sumptuous twelve-thousand-acre estate he built in Far Hills, New Jersey, called Dunwalke, Dillon pursued his passion for elegant living. His interests ranged from breeding prize cattle to garden design. He was an amateur ornithologist and photographer. He loved to hunt and ride horses. However, his primary passion was wine, nurtured

Château Haut-Brion

The lush vineyards of Bordeaux in southwestern France produce some of the world's most exquisite—and expensive—red and white wines. The soil, a thin composite of gravel, limestone, and sand resting atop a clay subsoil, is good for little except raising grapes, and the region's reputation has defined not only fine wine for centuries but also the sophisticated and cultivated lifestyle of the aristocratic wealthy who are its enthusiastic aficionados. Within the Bordeaux region, the Château Haut-Brion is located a mile from Bordeaux and has long been considered a unique operation. It is the only vineyard estate not located in the Médoc region to have received the "first growth" rating—the highest ranking accorded French vineyards. Château Haut-Brion's reputation for wine production has been chronicled during more than four centuries in which it has provided gold medal wines to Europe's wealthy and powerful.

Clarence Dillon, whose profound love for the French culture came as much from his grandmother's family as it did his own experiences in France, appreciated the finer expressions of wealth, notably the love of fine wines. In 1934, Bordeaux, along with the rest of Europe, was reeling from the global economic recession. Times were hard, and the château had fallen into disrepair after a succession of lackluster vineyard directors who were unwilling and financially unable to revive the moribund business. Dillon, who at the time was spending half of each year in his investment firm's Paris offices, toured the vineyard countryside in Bordeaux looking for an investment potential among a handful of châteaux that were in economic straits similar to Haut-Brion's and were up for sale. However, he fell under the spell of Haut-Brion, and he later told interviewers that its wine was his favorite of the Bordeaux clarets. The spacious estate grounds, with more than 125 acres, provided Dillon ample room to indulge his other passion—horse riding.

Dillon, however, was hardly a dilettante. He was able to accomplish for Château Haut-Brion what he had done for any number of faltering companies in the United States. He restructured the vineyard's management team, bringing in experts not only in winemaking but also in the economics of running a global corporation, and he spent millions in modernizing the physical plant, which did not even have electricity. Dillon's financial resources and his business acumen quickly improved the economic condition of the vineyard, and within a decade it was once again a world-class operation.

The Dillon family maintained direct involvement in vineyard operations into the twenty-first century. The château has purchased several rival vineyards and has diversified into a number of premium, award-winning, vintage lines, several bearing Dillon's name. The company continues to use cutting-edge technology to maximize efficiency, including a computer network to tap global distribution possibilities.

by his love of the French countryside. (Dillon, Read maintained a corporate office in Paris where Dillon lived six months of the year.) In 1935, after visiting Bordeaux, he purchased one of its most storied vineyards, the Château Haut-Brion.

Dillon eased into a gentle retirement from the firm he had established as a world-class operation. His only son, C. Douglas Dillon, would begin to manage Dillon, Read's operations in the late 1940's in a smooth transition of authority. Dillon gradually became less involved in the operations of his vineyard, entrusting its management to a nephew, and he enjoyed a lengthy and satisfying retirement, living until the age of ninety-six. Although he would live to see his firm marginalized by the deregulation and speculation of the 1960's and 1970's, he died before Dillon, Read was acquired and then divested by the Bechtel Group in the mid-1980's.

Legacy

One generation removed from the Jewish ghettos of Eastern Europe, Clarence Dillon became the leading American investment banker during both the prosperity of the 1920's and the economic anxieties of the Depression, his wealth estimated at between $150 and $200 million. He embodied the temperament and lifestyle of Old World wealth, taste, and sophistication. As a financier, Dillon thrived on the advice and counsel of his Ivy League contacts. Under Dillon's stewardship, Dillon, Read avoided bold and risky speculations, earning a reputation as a cautious, conservative, and solid firm that relied on the relatively narrow circle of Dillon's network of associates, a practice necessarily abandoned in the increasingly computerized global investment field after World War II.

—*Joseph Dewey*

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See also: George F. Baker; John Bouvier; John F. Dodge; Anthony Joseph Drexel; Otto Kahn; Joseph P. Kennedy; Charles E. Merrill; J. P. Morgan.

Walt Disney

American artist and entrepreneur

Disney was only an average artist, but he was a great storyteller and showman who established one of the major media and entertainment corporations of the twentieth and twenty-first centuries.

Born: December 5, 1901; Chicago, Illinois
Died: December 15, 1966; Burbank, California
Also known as: Walter Elias Disney; Retlaw Elias Yensid
Sources of wealth: Entertainment industry; media; real estate
Bequeathal of wealth: Children; educational institution; charity

Early Life

Walt Disney, the son of Elias and Flora Call Disney, was born in Chicago in 1901. While growing up, Disney and his family lived in Chicago, on a farm in Missouri, and in Kansas City. He drew cartoons for his high school newspaper, and his formal training in art came from classes at the Kansas City and Chicago art institutes. Disney tried to join the U.S. Navy during World War I but was rejected because he was underage. He dropped out of high school in 1918 to join the American Red Cross and was sent to France to drive an ambulance.

Walt Disney. (Library of Congress)

He returned to the United States in 1919, settling in Kansas City to begin a career as a commercial artist. After reading a book on animation, he decided to go into the animated cartoon business and made a deal with a local movie theater chain to show his earliest cartoons.

First Ventures

Disney's "Laugh-O-Grams" became so popular in the Kansas City area that he was able to expand his studio and hire additional animators. However, he was an inexperienced businessman, and his first studio eventually went bankrupt. Disney moved to Los Angeles in 1923 with only a suitcase and $40. He tried to get a job with one of the film studios, but after no one hired him he set up his own. He started his studio in a garage and later moved into a building on Hyperion Avenue in the Silver Lake district of Los Angeles. The studio remained there until 1939, when Disney opened a larger facility in Burbank.

His cartoon series Alice Comedies (1924-1927), based on Lewis Carroll's book *Alice's Adventures in Wonderland* (1865), was moderately successful, and in 1927, Universal Pictures contracted with him for a new series. These cartoons, featuring Oswald the Rabbit, were so successful that Disney expanded his studio and hired more animators. In February, 1928, Disney was prepared to renew his contract, but Charlie Mintz, his distributor, wanted to reduce Disney's fee for each cartoon. Disney also discovered that Universal, not Disney, owned the rights to Oswald, and that Mintz believed he could make the cartoons without Disney by hiring away most of Disney's staff. Disney walked away from the deal and from that time on became aggressively vigilant about protecting his intellectual properties.

Mature Wealth

To replace Oswald, Disney based a new character on a mouse he had adopted as a pet while living in Kansas City. The character's name was originally Mortimer but was later changed to Mickey Mouse by Disney's wife Lillian, who did not like the name Mortimer. Disney failed to find a distributor for the first two cartoons star-

Walt Disney World

In 1959, Walt Disney began looking for land for a second theme park to build on the success of Disneyland, located in Anaheim, California. Marketing surveys showed that only 2 percent of Disneyland's visitors came from east of the Mississippi River, where 75 percent of the United States' population then lived. Disney also disliked the businesses that had grown up around Disneyland and wanted control of a much larger area of land for his next major enterprise.

Disney flew over the site southwest of Orlando, Florida, where Walt Disney World eventually was built on November 22, 1963, the day President John F. Kennedy was assassinated. However, the site was not his first choice. He had previously flown over and applied to the Sanford, Florida, city council to allow him to build a theme park near this city, but his application was declined because the council members did not want the crime they believed would accompany tourism.

One of the advantages of the Orlando site was the well-developed network of roads in the area. Three interstate highways and the Florida Turnpike connected Orlando with the rest of Florida, the East Coast, and areas north and west of the state. McCoy Air Force Base (later renamed the Orlando International Airport) was located east of the site.

Disney died in 1966. Construction of the theme park began the following year, and Walt Disney World opened on October 1, 1971, consisting of the Magic Kingdom theme park and two hotels, the Contemporary and the Polynesian. Disney World later added three theme parks: Epcot (in 1982), Disney's Hollywood Studios (1989), and Disney's Animal Kingdom (1998). By 2009, Disney World was the most visited and largest recreational resort in the world, and contained two water parks, Typhoon Lagoon (1989) and Blizzard Beach (1995); thirty-two hotels; five golf courses; a bus service; a monorail train system; and numerous shopping, dining, and entertainment facilities, including Walt Disney World Village Marketplace (1975) and Pleasure Island (1989). The recreation complex employed sixty-six thousand people with an annual payroll of $1.2 billion, making it the largest single-site employer in the United States. At its peak, the resort owned roughly thirty thousand acres, which is about the size of San Francisco, or about twice the size of Manhattan Island. Portions of the original property were sold off, including the land later occupied by Celebration, Florida, a town built by the Disney corporation.

ring Mickey, *Plane Crazy* and *The Gallopin' Gaucho*, which were both silent films. The third Mickey Mouse cartoon, *Steamboat Willie*, added sound in 1928. *Steamboat Willie* was an instant success, and all future Disney cartoons were released with sound tracks. Goofy the dog and Donald Duck were originally supporting characters in the Mickey Mouse cartoons, but they eventually surpassed Mickey in popularity and began starring in their own cartoons in 1937; Mickey's dog Pluto similarly went solo in 1939. Merchandising deals, especially the famous Mickey Mouse watch, generated additional cash for Disney.

Disney began a series of musical shorts called Silly Symphonies in 1929 with *The Skeleton Dance*. *Flowers and Trees* (1932) was the first cartoon filmed in Technicolor, and it was so successful that Disney, who had an exclusive five-year license for the Technicolor process, switched all his cartoons from black and white to color. Disney released his most commercially successful cartoon short of all time, *The Three Little Pigs*, in 1933, and it included the hit song "Who's Afraid of the Big Bad Wolf?"

Disney began developing a full-length feature animated film in 1934, and in February, 1938, released *Snow White and the Seven Dwarfs*, the year's most commercially successful motion picture. *Pinocchio* and *Fantasia* were released in 1940 and *Bambi* in 1942, but they were financial disappointments because World War II had closed off the European market. Only the relatively inexpensive *Dumbo* (1941) made a profit during its initial release. However, *Snow White* was released for a second time in 1944, and Disney learned that animated features could become cash cows by rereleasing them every seven years to a new audience of children.

After the United States entered World War II in 1941, Disney concentrated on making training and instructional films for the military; war propaganda shorts, such as *Der Fuehrer's Face* (1942); and the feature *Victory Through Air Power* (1943), which combined animation and live action. The Disney studios also created inexpensive package films that contained collections of cartoon shorts. These included *Saludos Amigos* (1942), its sequel *The Three Caballeros* (1945), *Fun and Fancy Free* (1947), and *The Adventures of Ichabod and Mr. Toad* (1949).

After World War II ended in 1945, Disney returned to work on full-length animated features. Both *Alice in Wonderland* (1951) and *Peter Pan* (1953), which were begun before the war, were finished and released. *Cinderella* (1950) became Disney's most commercially successful film since *Snow White*. During this period, Disney further developed the concept of feature-length films that combined live action and animation, such as *Song of the South* (1946) and *So Dear to My Heart* (1949). He revived the concept more than a decade later when he made *Mary Poppins*, based on the books by P. L. Travers. *Mary Poppins* was released in 1964 and became the most successful Disney film of the decade. It was also the most technically advanced film to that point in its combination of animation and live action.

While Disney's two daughters were growing up, he and his wife had difficulty finding places to take them on weekends. He got the idea for a children's theme park after visiting Children's Fairyland in Oakland, California, in the late 1940's. This idea eventually developed into a concept for a larger park that became Disneyland, which opened on July 17, 1955, and was immediately successful. Visitors from around the world came to Anaheim, California, to visit Disneyland, enjoying its attractions, such as the Peter Pan ride, which were based on Disney films. Around the same time, Disney expanded into live-action films that would not include animation. *Treasure Island* (1950) was his studio's first live-action feature, and subsequent films, such as *20,000 Leagues Under the Sea* (1954) and *The Shaggy Dog* (1959), did well at the box office.

Disney broke into television with the special show *One Hour in Wonderland*, which aired in 1950. He hosted a weekly anthology series titled *Disneyland*. He leveraged his film library by showing cartoon shorts and excerpts from animated features on his television program. After 1955, the show became known as *Walt Disney Presents;* when it converted from black and white to color in 1961, Disney changed its name to *Walt Disney's Wonderful World of Color. The Mickey Mouse Club*, a syndicated daily variety show which occasionally showed cartoons from Disney's library, debuted on television in 1955.

In his later years, Disney spent significant amounts of his own money on developing the California Institute of the Arts (CalArts), which was formed in 1961 from the merger of the Los Angeles Conservatory of Music and the Chouinard Art Institute. When Disney died in 1966, one-fourth of his estate went to CalArts. He also donated thirty-eight acres of land that he owned in Valencia, California, for the school to construct a campus.

Legacy

Walt Disney helped create the twentieth century entertainment industry. He and his studio elevated the art of animation, raising the standards of animated films and using this medium, which initially focused on short subjects, to produce full-length features. His studio also produced successful live-action films and innovative television programs. Disneyland and its successor theme parks offered the public new attractions where families could spend their leisure time.

The Walt Disney Company of the twenty-first century owns theme parks in California, Florida, France, and Japan; vacation resorts; water parks; hotels; cruise ships; motion-picture and television studios, such as Pixar; Internet sites; record labels; publishing houses; cable television networks, such as ESPN and Soapnet; and the American Broadcasting Corporation (ABC). On August 31, 2009, the company announced it had paid about $1.4 billion to acquire Marvel Entertainment, a comic book and action hero company. The firm also licenses Disney characters to toy, watch, clothing, and other manufacturers.

—*Thomas R. Feller*

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See also: Richard Branson; Mark Cuban; David Geffen; Robert L. Johnson; Rupert Murdoch; Sumner Redstone; Steven Spielberg.

JOHN F. DODGE

American automaker, industrialist, and entrepreneur

Dodge was the business mind behind Dodge Brothers, using his financial acumen to implement his younger brother's patents and engineering ideas. The brothers' automobile company became known for manufacturing high-quality motor vehicles.

Born: October 25, 1864; Niles, Michigan
Died: January 14, 1920; New York, New York
Also known as: John Francis Dodge
Sources of wealth: Manufacturing; sale of products; investments
Bequeathal of wealth: Spouse; children; educational institution

EARLY LIFE

John Francis Dodge was born in 1864, and his brother and eventual business partner was born four years later. Throughout their lives the brothers were inseparable. They spent their early days in Niles, a town in a poor county of southwest Michigan. Their father, Daniel Rugg Dodge, ran a foundry and machine shop, where he built and maintained engines for riverboats traveling on the St. Joseph River. In the years immediately following the Civil War, riverboats were commonly used to transport goods. As the transportation revolution took hold, automobiles replaced horses and buggies, and railways replaced riverboats as the links between major cities. Both John and Horace learned their father's trade, but John possessed better managerial skills than his brother.

FIRST VENTURES

The family struggled and moved several times before settling in Detroit, Michigan. There, the brothers worked for a boilermaker and later for a typography company. Through his tinkering, Horace devised a sealed ball-bearing device for bicycles that kept out dirt, and he patented his invention. John convinced Horace to use their savings to start their own bicycle business, which struggled to remain open. Rather than suffer with a failing company, the brothers sold it to a Canadian firm. Under the terms of the sale, the brothers continued to make bicycles using Horace's patent, for which they would receive royalties. When the Canadian firm failed and reneged on its promised royalties, John arranged to cancel his claims against the company in exchange for first pick of the machinery left at its plant.

With this machinery, the brothers again went into business, founding the Dodge Brothers Machine Shop in 1902. They manufactured stoves and boilers and contracted with automaker Ransom Olds to build transmissions for his single-cylinder Oldsmobile. In 1903, the Dodge brothers entered into a contract to supply Henry Ford, who was starting his own automobile company, with most of the parts needed to build Ford's Model T. The Dodges provided the chassis for this vehicle, while Ford added the body, wheels, and tires.

MATURE WEALTH

The contract with Ford earned the brothers millions of dollars. According to the contract, Dodge Brothers would be the exclusive supplier of automotive parts for the new Ford Motor Company; if Ford's company went bankrupt, the Dodges would receive all of Ford's assets. Henry Ford was short on cash, so the brothers agreed to provide automobile parts in exchange for $10,000 worth of shares, or 10 percent of Ford Motor's stock. Once the first Model T sold, the Dodge-Ford contract was solid. Ford Motor made half of all the automobiles manufactured worldwide, and Dodge Brothers produced two-thirds of the parts for these vehicles. The brothers profited twice in their business dealings with Ford: first in making and selling him parts, and second in receiving dividends from their stock in his company. John Dodge also served as vice president of Ford Motor Company for several years.

In 1907, John married his third wife, Matilda Rausch. His first wife, Ivy, died in 1901 from tuberculosis, and he was married for only four years to his second wife. Matilda became his secretary after she graduated from

Gorsline Business College in 1902. They had three children.

Demand for Ford cars, and therefore for automotive parts, was growing. By 1910, Dodge Brothers needed to build a new plant. The brothers chose Hamtramck, a Polish community bordering the city of Detroit. By then, the brothers had been supplying Ford with parts for nearly a decade. Horace made many suggestions for improving Ford's vehicle, but Ford would not listen. However, the Dodges continued to supply the parts and earn stock dividends as Ford's company thrived.

When Ford Motor's Highland Park plant was nearly completed, however, John realized that Ford would no longer need the brothers' auto parts. John decided that Horace's ideas could make the automobile easier to drive, especially for women. John resigned as vice president of Ford Motor, and the brothers retooled their Hamtramck plant in order to make their own vehicles.

Using their stock profits from Ford Motors, they financed the Dodge Brothers Motor Car Company, established in 1913. The brothers had such a solid reputation within the automobile industry that they received applications from twenty thousand people for Dodge dealerships before their company was even ready to produce vehicles. The first car rolled out of the Dodge Main plant in Hamtramck on November 14, 1914. It had an electric starter so women did not have to crank-start the car, a sliding-gear transmission, and rear-wheel brakes. Within three years, Dodge Brothers Motor Car Company became the fourth largest American auto manufacturer.

Meadow Brook Hall

Meadow Brook Hall in Rochester Hills, Michigan, is often called America's castle. It is the fourth largest house museum in the United States, known for its grand scale, architectural detail, and fine craftsmanship. Construction began on the manor house in 1926 and was completed in 1929 at a cost of nearly $4 million.

Five years after John F. Dodge's death, his widow Matilda decided to transform the family's country home at Meadow Brook Farm into an estate. The family had been visiting the fifteen-hundred-acre farm since John purchased it in 1908. When Matilda and Anna, John's sister-in-law, sold Dodge Brothers Motor Car Company for $147 million, Matilda decided to reside at Meadow Brook.

While honeymooning with her second husband, lumber broker Alfred G. Wilson, in 1925, Matilda was inspired by castles and manor homes in England. As a result, Meadow Brook Hall was designed in a Tudor Revival style. The 88,000-square-foot mansion has 110 rooms and houses Matilda's vast collections of art and furnishings.

Although it was influenced by the style of sixteenth through eighteenth century English manor homes, Meadow Brook Hall was made from American materials that were commonly used during the Arts and Crafts Movement, a style of architecture that was popular in the final years of the nineteenth and early years of the twentieth centuries. Meadow Brook Hall is constructed of wood timber, brick, and sandstone; clay shingle tiles add to the charm of thirty-nine brick chimneys to create a unique roof line. Carved plaster ceilings and stained-glass window insets accent elaborately detailed wood and stone carvings featured throughout the interior. All of the hardware and ceramic art tiles are handmade.

Every modern amenity available in the 1920's was incorporated into the design, including central heating, two elevators, four kitchens, and a full-size home theater. A few rooms were designed and decorated in specific architectural revival styles. For example, the eighteenth century neoclassical style was selected for the dining room and Matilda's study; one of the bedrooms was designed in American Colonial style; and Matilda's room and another bedroom included French rococo elements. The mansion's beautiful decorations, complete with statues and artwork from various historical periods and styles, represent the lavish lifestyle of American industrialists of the early twentieth century.

To celebrate the end of construction, Matilda and Alfred G. Wilson hosted a housewarming party attended by 850 guests on November 19, 1929. It was only three weeks after the stock market crash that ushered in the Great Depression. Matilda eventually moved to Sunset Terrace, which was built as a retirement home on Meadow Brook Farm, and resided there until Wilson died in 1962. She then returned to Meadow Brook Hall, where she lived until her death in 1967.

In 1957, the Wilsons donated all of Meadow Brook Farm, including the mansion, to establish what would later become Oakland University. Meadow Brook Hall opened to the public in 1971 and remained a popular attraction into the twenty-first century. The facility hosts around ninety events a year and is visited by about 100,000 people annually. The site also houses an outdoor concert pavilion and Meadow Brook Theatre. Both the hall and the grounds are important as significant works of architecture, as well as a tribute to the Dodge family.

During World War I, Dodge Brothers made ambulances and other vehicles for the war effort, along with the delicate recoil firing mechanisms for French cannons that were vital to the Allied artillery. The brothers built and equipped a new factory in Hamtramck solely for the precision manufacturing of these recoil devices.

Meanwhile, Henry Ford was angry that stock profits from his company were funding his competition and stopped paying the brothers dividends. John Dodge responded by filing suit against Ford, who eventually was forced to pay $9 million in back dividends. In 1919, the brothers sold their remaining Ford Motor stock to Ford's company for $25 million.

In less than two decades, Dodge Brothers amassed $200 million, the equivalent of $1.5 billion in 2010. The brothers celebrated their prosperity by purchasing yachts (the largest was longer than two hundred feet) and building mansions. John bought Meadow Brook Farm, a fifteen-hundred-acre property in Rochester Hills, Michigan, and the farm became the family's country getaway. John gave his wife a check for $1 million as a Christmas gift in 1919; Horace bought his wife a pearl necklace once owned by Catherine the Great and valued at $850,000.

In 1920, while at the International Automobile Show in New York City, Horace caught the flu. A worldwide flu pandemic that had begun in 1918 had not abated, and soon John was also sick. John died in January, 1920, and Horace died later that year. Their widows kept the automobile company until 1925, when they sold it for $146 million.

Legacy

John and Horace Dodge were among the pioneers of the American automotive industry. They achieved success through vision and an unflagging dedication to their work. The Dodge name became synonymous with quality vehicles. John was the mastermind behind the business transactions of the brothers' various enterprises, and his shrewd dealings early in their career enabled them to amass enough wealth to finance the formation of their own foray into automobile manufacture. Implementing improvements to make the automobile more convenient and enjoyable rapidly launched the Dodges into the ranks of the top four companies in the automotive industry. The Dodge brand continued after their deaths, eventually becoming part of Chrysler Group, LLC.

John Dodge's fortune is a symbol of the American dream, a rags-to-riches story of entrepreneurial success. In 1957, John's widow and her second husband donated Meadow Brook Farm, which included Meadow Brook Hall and their collections of art and furnishings, and $2 million to Michigan State University for the creation of a new university in Oakland County. The site eventually became Oakland University.

—*Lisa A. Wroble*

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See also: Walter P. Chrysler; Chung Ju Yung; Harvey Firestone; Henry Ford; Soichiro Honda; Alfred P. Sloan.

Edward L. Doheny

American oil magnate

Doheny's discovery of oil in Los Angeles was the foundation of the oil boom in Southern California, and thus he played a considerable part in the economic development of the region. He was also instrumental in establishing the oil industry in Mexico.

Born: August 10, 1856; Fond du Lac, Wisconsin
Died: September 8, 1935; Los Angeles, California
Also known as: Edward Laurence Doheny
Source of wealth: Oil
Bequeathal of wealth: Spouse; charity

Early Life

Edward Laurence Doheny (doh-HEE-nee) was born in Fond du Lac, Wisconsin, in 1856, the son of Irish immigrant Patrick Doheny and1 Eleanor Quigley Doheny, originally from Newfoundland, Canada. A bright student, Edward left high school at fifteen, and his father's death not long thereafter obliged him to find work. After about two years with the U.S. Geological Survey in Kansas, he set out to prospect for gold and silver in the Southwest, an enterprise that yielded him little gain after almost fifteen years of effort. His prospecting partner, Charles Canfield, found considerable success on his own, both in prospecting and in real estate.

First Ventures

In 1883, Doheny married his first wife, Carrie Wilkins, and during his prospecting years he met Albert B. Fall, who was to play a major role in his future life. Doheny, Carrie, and their young daughter came to Los Angeles in 1890 or 1891, and after studying law he was admitted to the bar. However, his legal practice was as unsuccessful as his previous venture, and he apparently was almost penniless by the time he reached his mid-thirties.

The story of Doheny's subsequent rise to wealth has somewhat of the aura of a tall tale. In 1892, reduced to doing odd jobs, he supposedly spied a cart with its wheels coated in a certain type of tar or pitch (called "brea" by the Spanish-speaking Angelenos). When he discovered the source of this tar, near what would later be Los Angeles's Dodger Stadium, he and former partner Canfield leased the land. In 1893, with the use of a tool made from the sharpened trunk of a eucalyptus tree, Doheny and Canfield excavated the land until oil was found, and the well they built began producing some forty barrels a day. It was the first major oil discovery in Los Angeles.

Mature Wealth

Despite his previous failures, Doheny proved to be a shrewd businessman. He and Canfield discovered oil at several other sites and began selling it to local businesses. An oil boom ensued that was rife with wild speculation; an estimated twenty-three hundred wells were dug in the city within five years. The partners also persuaded railroad companies to switch their locomotive fuel from coal to oil, and other industries followed suit.

In about 1900, Doheny formed the Pan American Petroleum and Transport Company, a subsidiary of his Mexican Petroleum Company, which he established in order to look for oil in Mexico and which eventually controlled more than 1.5 million acres of Mexican land. Ma-

Edward L. Doheny, left, and his attorney Frank Hogan arrive at the Capitol in 1924 to attend a Senate committee investigation regarding the Teapot Dome scandal. (AP/Wide World Photos) jor oil companies previously had come to Mexico primarily to distribute oil, but Doheny's firm was one of the first to produce oil on a large scale there. Although the company was one of the largest in Mexico, it remained susceptible to the vagaries of Mexican politics and revolution. At one point, Doheny had a private army of more than six thousand men to protect his interests, and he was said to have urged the United States government to invade the country in order to stabilize the Mexican government. Thus, he became a classic imperialist. He used the oil that he could not sell to the railroads or was unsuitable for fuel to pave roads in Mexico. Doheny's fortune grew with the needs of the burgeoning American automobile industry, and he also expanded his operations to South America and Great Britain. In the second decade of the twentieth century Mexico became a net exporter of oil. It is said that during his lifetime, Doheny discovered more oil than any other person in the world.

Now the possessor of a vast fortune estimated to be $150 million, one of the largest in America, Doheny contributed many millions of dollars to Catholic causes, including the construction of churches. He wed his second wife, a telephone operator, in 1900 after his first wife committed suicide. His second wife was also named Carrie (née Betzold), but she was generally known by her middle name, Estelle. The couple lived in the fabled mansion in Los Angeles that Doheny purchased a year after their marriage.

Doheny became involved in Democratic Party politics, losing a bid for nomination as vice president on the party's ticket in 1920. A few years later, his life began a downward spiral as he became embroiled in a scandal involving his longtime friend Fall, now the secretary of interior in President Warren G. Harding's administration. In 1924, a U.S. Senate investigation uncovered evidence of a $100,000 payment from Doheny to Fall in order to obtain a no-bid contract for the U.S. Navy's oil reserves in the Elk Hills of California. Another oil magnate, Harry F. Sinclair, had similarly paid Fall for the oil concession at the Teapot Dome fields in Wyoming. As a result of what was termed the Teapot Dome Scandal, Doheny and the other two men were forever to be associated with a corrupt Harding administration. Although Doheny claimed he had not bribed Fall but had given him an interest-free unsecured loan, he, Sinclair, and Fall were indicted on bribery and conspiracy charges. Following a trial, Fall was convicted of ac-

The Doheny and Greystone Mansions

The 22-room, 10,500-square-foot French château-like home that oil magnate Edward L. Doheny and second wife Estelle purchased in 1901 was originally built from 1899 to 1900 for the Oliver Posey family. The Dohenys purchased it fully furnished for $125,000. The residence was designed by the architects Theodore Eisen and Sumner Hunt and incorporated elements of the Gothic, English Tudor, and California Mission styles. One of its more spectacular features was the fabulous Pompeian Room, which contains art-glass panels, a mosaic floor with marble imported from southern Europe and Africa, Tuscan marble columns, and a dome constructed of more than twenty-eight hundred pieces of gold favrile glass from the Long Island factory of Louis Comfort Tiffany. Doheny Mansion also contained a bowling alley and a shooting gallery. The home is located on Chester Place, a small exclusive street of impressive mansions developed by Doheny near downtown Los Angeles in the West Adams district. Eventually, to discourage casual visitors, Doheny bought all the other houses and gated the street for greater privacy.

The Dohenys lived in the mansion until Edward died in 1935, and Estelle continued in residence thereafter, occupying the home for more than fifty years. She had not liked the house when they moved in and over the years made many renovations, apart from the extensive repairs that were required after the mansion was damaged in the 1933 earthquake. The home was willed to the Catholic Church in 1958 following Estelle's death and since the 1960's has been part of the campus of Mount St. Mary's College, founded in 1925.

Greystone Mansion was the hilltop home of Edward L. "Ned" Doheny, Jr., his wife, Lucy, and their five children. However, three months after moving into the residence, Ned was found murdered there in February, 1929. Greystone Mansion has fifty-five rooms in forty-six thousand square feet, including a recreational wing with a projection room, a bowling alley, and a billiards room. The residence was originally on a site of four hundred acres, took two years to build, and cost some $4 million, equal to about $43 million in 2010 currency. The English Tudor-style mansion was designed by architect Gordon Kaufmann and in its time was compared to Hearst Castle, the fabled estate of William Randolph Hearst. Unoccupied as a private home for many years, by the twenty-first century it was owned by the city of Beverly Hills and had been the setting of scenes in numerous films, including *Spiderman*, and television programs, as well as being the venue for indoor and outdoor concerts. It has also been suggested that Greystone was the prototype for the mysterious mansion in Raymond Chandler's novel *The Big Sleep* (1939).

cepting a bribe and sentenced to one year in prison, but, illogically, Doheny was found innocent of offering the bribe. Despite his acquittal, all of Doheny's government leases were canceled, and he did not finally emerge from under a legal cloud until 1930.

He had by that time retreated from public life and suffered another blow when Edward L."Ned" Doheny, Jr., his son and namesake, was found murdered in February, 1929, at Greystone, Ned's Beverly Hills mansion. It was the house his father had built for Ned as a gift, and Ned had taken possession just a few months before his death. The thirty-five-year-old Ned, who was the father of five, was shot by Hugh Plunkett, his friend and secretary, who then committed suicide. Although speculation ran rife, the motive for the slaying was never conclusively proven.

Doheny became a near-recluse after his son's death, spending most of his time in his estate. He died of old age in 1935 and was buried in a tomb made of Carrara marble, a gift from Pope Pius XI in gratitude for the millions of dollars that Doheny had donated to the Catholic Church.

Legacy

At the time of his death, Edward L. Doheny appeared to be a broken man and much of his good work had been forgotten in the wake of scandal. His wife, a convert to Catholicism who had been named a papal countess by the Church, later endowed the Carrie Estelle Doheny Eye Foundation, a research laboratory and eye bank. She also bought a mansion of thirty rooms that she donated to the Sisters of St. Joseph of Carondelet. It is said that immediately upon her husband's death, Mrs. Doheny had all of her husband's private papers burned, thus presenting substantial difficulties for future biographers.

Doheny almost single-handedly established the oil industry in Southern California and was a significant factor in the economic growth of California and Mexico. He played a large role in persuading major industries to convert from coal to oil, thus vastly enlarging the potential market for oil.

His name lives on in some significant places. Because he was instrumental in developing the city of Beverly Hills, one of its major thoroughfares, Doheny Drive, is named for him. Doheny State Beach is also named in his honor, as are libraries at the University of Southern California and St. John's Seminary. He is said to be the prototype for the character of the ruthless oilman in Upton Sinclair's book *Oil! A Novel* (1927), which was the basis for the 2007 film *There Will Be Blood*.

—*Roy Liebman*

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See also: Henry M. Flagler; J. Paul Getty; Calouste Gulbenkian; Armand Hammer; H. L. Hunt; Clint Murchison, Sr.; Joseph Pew; Sid W. Richardson; John D. Rockefeller; William Rockefeller; Harry F. Sinclair.

Captain Robert Dollar

American lumberman and shipping company executive

Dollar, who still ranks as one of Scotland's fifty wealthiest men, successfully built lumber and shipping industries and generously supported many charitable organizations in Scotland, the United States, and other countries.

Born: March 20, 1844; Falkirk, Scotland
Died: May 16, 1932; San Rafael, California
Also known as: The Grand Old Man of the Pacific
Sources of wealth: Lumber; shipping
Bequeathal of wealth: Relatives; charity

Early Life

Captain Robert Dollar was born in 1844 in Falkirk, Scotland, the first son of William and Mary (née Melville) Dollar. When Robert was nine years old, his mother died and his grieving father turned to alcohol for comfort. Three years later, Dollar left school to work a lathe in a machine shop for sixty cents a week. In that same year, his father married their servant girl, Mary Easton. Dollar's second job was in a lumber-shipping company. In 1857-1858, the Dollar family migrated to Canada.

After working in a barrel stave factory, Dollar obtained a position at a lumber camp north of Ottawa. He and his brother used their $26 monthly earnings to buy their parents a farm. To advance his career, Dollar taught himself basic writing and math skills and learned French from the loggers. When he was twenty-one years old, Dollar became manager of the logging camp.

First Ventures

In 1872, Dollar and a partner bought their own lumber camp. This venture was ill fated, as the price of logs fell, leaving the partners with a $5,000 debt. Undeterred, Dollar worked his debt off in three years. During this time, he married Margaret Proudfoot and settled in Bracebridge, Ontario, where he established a Masonic lodge and donated lumber to the Presbyterian Church. The couple eventually had four children: Alexander Melville, Robert Stanley, Mary Grace, and John Harold.

While living in Bracebridge, Dollar formed a partnership with Henry H. Cook and ventured into the export business, transporting wood to England. In 1882, he used his earnings to buy land in Michigan for $1.25 per acre and to set up a sawmill in what became known as Dollarville. By 1884, Dollar had earned enough money to visit his birthplace in Falkirk, where he donated funds to the city's first library.

Mature Wealth

Dollar became a naturalized American citizen in 1888 and moved his family and business operations to California. He added redwood forests and new sawmills to his rapidly growing enterprise. Dollar's lumber business was now a leader in the industry, and he needed a more effective method of transporting lumber along the Pacific coast. He purchased a steamship, *The Newsbo*, which quickly proved its worth, and he then acquired additional ships. He incorporated the Dollar Steamship Co. in 1901-1902 and extended his trade to China and Japan. Frequent voyages and personal appearances in China gained him respect with the Chinese government.

Over the next twenty-five years, Dollar expanded his international shipping business and added a new line of government passenger ships, as well as worldwide cargo and passenger services. He also purchased additional land in Canada and built a timber mill town in British Columbia called Dollarton. Dollar, the lumber giant of the West, had also become the leading American shipowner—the "Grand Old Man of the Pacific." Dollar founded a successful business model that amassed millions of dollars. His propensity for hard work and his business acumen made him a leader in two different industries. His sons joined his businesses, too. On March 19, 1928, one day before his eighty-fourth birthday, Dollar was featured as the cover story in *Time* magazine, and during the next year additional articles about him appeared in *The Saturday Evening Post*.

Dollar died of bronchial pneumonia in 1932. Thousands of friends attended his funeral.

Legacy

Captain Robert Dollar's wealth was the result of his determination and faith. His Scottish Presbyterian values, resourcefulness, and perseverance made a formerly penniless man into an affluent businessman worth $40 million. This self-educated man also became director of several banks. During his lifetime, Dollar donated to charities in the United States, the Philippines, Scotland, and China. His donations helped support orphanages, a seminary, a library, churches, schools, and the Young Men's Christian Association (YMCA) in China. His home in San Rafael, California, is the site of the Falkirk Museum.

—*Cynthia J. W. Svoboda*

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See also: John Ellerman; James J. Hill; Cornelius Vanderbilt; Frederick Weyerhaeuser.

Francis Drake

English privateer and navigator

Drake obtained his vast wealth as a commissioned privateer for Queen Elizabeth I of England during the 1570's. By capturing and pillaging Spanish ships and colonies, Drake inspired other Englishmen to become privateers.

Born: c. 1540; Crowndale, near Tavistock, Devonshire, England
Died: January 28, 1596; at sea, off the coast of Porto Bello, Panama
Also known as: Sir Francis Drake, Sr.; El Draque
Sources of wealth: Conquest; privateering
Bequeathal of wealth: Unknown

Early Life

Sir Francis Drake, Sr., was born in Crowndale, near Tavistock, England, around the year 1540. He was the oldest child of Edmund Drake, a yeoman farmer, and Mary Mylwaye. His father was forced to flee Tavistock because of religious persecution for his Protestant beliefs. The family settled in Kent and lived in the hull of a ship. Shortly after the birth of the family's twelfth child, Drake's mother died. His father, who was unable to care for all twelve children, encouraged them to find work at sea when they reached their teen years. Drake apprenticed with a sea captain involved in coastal trade, and when the captain died, Drake inherited his ship.

First Ventures

Drake sold the ship and relocated to Plymouth, where he worked for his relative John Hawkins on one of Hawkins's ships. In 1566, Drake embarked on a slave-trade voyage in the Spanish Caribbean colonies. The following year, as the captain of one of six ships, he sailed to Africa and the Caribbean colonies on an illicit slave-trade mission for Hawkins. Between 1570 and 1571, Drake embarked on two additional exploratory trips, and in 1572, he returned to the Caribbean on a pillaging expedition.

Mature Wealth

In 1577, Queen Elizabeth I commissioned Drake to sail on a secret expedition to the Pacific coast of South America in order to explore and pillage Spanish fleets and colonies. Drake left Plymouth aboard the *Pelican* on December 13, 1577, with a fleet of four additional ships. He added the Spanish ship *Mary* to his fleet after capturing it near the African coast. Because of harsh weather, the death of many of his crew members, and damage to his fleet, by 1578 Drake had only one ship left, which he re-

Francis Drake. (Library of Congress)

named the *Golden Hinde*. He reached the Straits of Magellan on August 20, 1578. Along the way, he continued to amass a fortune by attacking and stealing from Spanish ships and colonies.

On March 1, 1579, Drake captured the Spanish ship the *Nuestra Señora de la Concepción*, and he stole a massive amount of gold, silver, and jewels. Afterward, he sailed toward North America and landed in a small bay in northern California that was named in his honor. Drake named the land the country of New Albion and claimed the area for Elizabeth I. He finished his circumnavigation of the globe by traveling across the Pacific Ocean to the Cape of Good Hope in South Africa. Drake arrived home in 1580, now a very wealthy and famous sea captain. On April 1, 1581, Queen Elizabeth knighted Drake on the deck of the *Golden Hinde*.

Although Drake was now a very rich man, he continued to sail on missions for Queen Elizabeth. In 1585, the queen hired Drake and equipped him with a fleet of more than twenty ships to raid Spanish colonies and ships in the New World. During the yearlong voyage, Drake captured Santiago, Santo Domingo, and St. Augustine in Florida. In 1587, he set sail a third time for Queen Elizabeth with a mission to stop the shipping of supplies in and out of the ports of Spain and Portugal. In 1588, he commanded the English fleet that defeated the Spanish Armada and made Great Britain the world's greatest sea power. Drake returned to England and semiretired. On January 28, 1596, while leading an expedition to Panama, Drake died of dysentery while onboard his ship.

Legacy

Drake's sailing skills and bravery brought him great wealth and also earned him the respect of his country. His successes at sea helped Great Britain establish naval supremacy and inspired others to become privateers. Drake also was the first Englishman to circumnavigate the globe.

—*Bernadette Zbicki Heiney*

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See also: Samuel Bellamy; Elias Hasket Derby; John Hawkwood; Israel Thorndike.

Daniel Drew

American investor

Drew was one of the great nineteenth century robber barons. He was involved in insider trading and manipulating stock prices; he also engaged in predatory pricing to maintain monopoly power for his firms. Although he died impoverished, when he was wealthy he contributed money to establish the Drew Theological Seminary, which became Drew University.

Born: July 29, 1797; Carmel, New York
Died: September 18, 1879; New York, New York
Sources of wealth: Railroads; investments; transportation systems
Bequeathal of wealth: Educational institution

Early Life

Daniel Drew was born on a farm in Carmel, New York, in 1797. He grew up poor and virtually illiterate, as did most children of small farmers at that time. During the War of 1812, President James Madison began to draft men into the military; those who did not want to fight were offering $100 to people who would take their place. Regarding this as easy money, Drew became an army substitute. He served three months but saw no combat.

After the war, Drew used his $100 to buy cattle, herd them to New York City, and sell them to city butchers. During one drive he gave his cattle large quantities of salt before they entered Manhattan and let them drink all the water they wanted, thereby increasing their weight. Since he was paid based on the weight of his herd, Drew earned extra money through this scheme. Continually employing this ruse, Drew drove cattle into Manhattan from Ohio, Kentucky, and Illinois and became very wealthy.

First Ventures

This money let Drew purchase the Bull's Head Tavern, a popular watering hole for drovers. The tavern had a thick safe, and guests gave Drew their money for safekeeping. By taking some of this money and investing it, Drew became a banker and a speculator. His small fortune soon became a large fortune.

While on the lookout for good investment opportunities, Drew became aware of Cornelius Vanderbilt. Vanderbilt was part of the Hudson River Association, which ran boats up and down the Hudson River between Manhattan and Albany, New York. Vanderbilt had argued with his partners, and he bought two boats and ran them in competition with association vessels. As a result, the association lost a lot of money, and it eventually had to buy out Vanderbilt.

Drew replicated Vanderbilt's business methods. He started a competing boat line and squeezed the Hudson River Association until it bought him out. Then he started another line under someone else's name, which was also bought out. The association was so weakened by its continual purchase of rival companies that it eventually sold its business to Drew.

As the owner of the sole means of transportation along the Hudson River, Drew pushed up the price on all river trips. When competition would arise, Drew would reduce his prices. Sometimes he would charge nothing, or even pay people to take his boats, knowing that he had the resources to outlast his rivals. When his competition went out of business, Drew would then charge exorbitant rates and accumulate reserves to fight off the next firm seeking to enter the market.

Mature Wealth

During the 1840's, Drew became interested in stock trading. He opened a brokerage business in 1844 that specialized in transportation stock, and he began buying stock in the railroads that were starting to operate in the eastern United States. Drew quickly learned that it was easier to make money trading stock shares than running a business.

He also discovered how easy it was to make money manipulating stock prices. One of his famous schemes was dubbed "the handkerchief trick." Meeting with investors, Drew would pull out his handkerchief to mop his brow. A slip of paper with a large buy order would fall to the floor; Drew would pretend not to notice. When Drew left the meeting, other investors would grab the paper and buy the listed stock. Drew, however, had purchased the touted stock before the meeting. When the other investors bought the stock, driving up its price, Drew sold out at a large profit.

Drew focused most of his attention on the Erie Railroad, then the largest rail network in the world. He acquired competitors of Erie, as well as all the steamboat lines between Manhattan and upstate New York. At the time, trains could not go directly into Manhattan; they stopped just outside, transferring people and goods onto steamships to complete the trip. By monopolizing transport links in and out of Manhattan, Drew was able to squeeze the Erie Railroad. He offered its main competitor, the New York Central Railroad, better rates on his steamboats into Manhattan. This created financial problems for Erie, and company officials were forced to put Drew on Erie's board of directors and make him company treasurer. These positions enabled Drew to make money from his inside knowledge about the railroad. Before favorable information was announced, he bought Erie stock and profited when the stock price rose. Before bad information was announced, Drew would sell Erie's stock short and buy it back at a lower price after the bad news became public.

Not satisfied gaining money from normal price changes, Drew sought to manipulate the price of Erie stock. When he wanted prices to rise, he would spread positive rumors. When he wanted prices to go down because he had sold short, he would circulate rumors that the railroad was in financial difficulty, or he would have someone obtain a court injunction to prohibit Erie from paying dividends.

With his growing fortune, Drew bought a lot on Seventeenth Street in Manhattan, facing Union Square, and built a four-story mansion, a barn, a cow shed, and a horse stable. Drew, however, had even greater ambitions. He sought to acquire the Erie Railroad and become even wealthier. When Erie decided to extend its rail line by connecting New Jersey and Manhattan, Drew created difficulties for the project. He circulated rumors on Wall Street that there were logistical problems building the tunnel underneath the Hudson River and financial problems at Erie. He also sought to tie up the New York State legislature, which had to approve the construction project. As a result of these actions, capital for the project became scarce, which enabled Drew to come to the rescue. He lent Erie the money it needed, taking the railroad line as security for the loan.

Vanderbilt, wary of Drew from previous dealings with him, wanted to keep Drew from controlling the railroad company. Vanderbilt started buying Erie stock in order to control the railroad himself. Drew, however, got the Erie board of directors to approve a $10 million offering of new stock and bonds in order to replace the railroad's iron rails with steel rails and build a third rail allowing narrow-gauge trains to run on Erie lines. Vanderbilt got an injunction from a Manhattan judge prohibiting Erie from issuing any more stock. In response, Drew and his colleagues Jay Gould and James Fisk got a judge from Binghamton, New York, to order Erie to issue more stock. The three men began printing new shares of Erie stock and selling them to Vanderbilt. When it became clear that they could keep printing and selling new shares, the price of Erie stock tumbled.

Vanderbilt lost a small fortune of $7 million, but he obtained a contempt of court order against Drew, Gould, and Fisk and warrants issued for their arrest. Fearing they would be arrested, the three fled to New Jersey. Safe from the legal arm of New York, they attacked Vanderbilt's rail lines. They reduced Erie's rates for the trip between Buffalo and Manhattan in order to compete with Vanderbilt's New York Central Railroad. They also announced a plan to start a boat line that would charge only fifty cents for a trip between these two cities in order to draw customers away from Vanderbilt's Hudson Railroad. The Drew-Vanderbilt battle eventually ended when Vanderbilt agreed to let Drew keep his money, and Drew agreed to relinquish control of the Erie Railroad.

Nonetheless, Drew sought to make one more killing on Erie stock. Drew, Gould, and Fisk deposited $14 million into various banks. They then sold short in Erie stock and withdrew their $14 million from the banks. The banks, however, had already lent out the money. The bankers were forced to call in their loans, while individuals had to sell their Erie stock in order to repay their bank loans. Stock prices tumbled. Gould, Fisk, and Drew made a fortune, but the economic impact was devastating; people blamed the three for the economic mess. Fearing for his life, Drew decided to abandon the scheme and put money back into Manhattan banks.

In the early 1870's, Drew was one of the wealthiest living Americans. However, his fortunes reversed when the 1873 stock market panic resulted in the demise of several brokerage firms in which he was a partner. Drew had to mortgage his home and take as much property as possible out of his name. In 1887, he lost more money after Gould brought him into a plan to increase Erie stock prices; Gould, however, was really arranging to lower prices. Eventually, Drew was forced to declare bankruptcy.

DREW UNIVERSITY

Drew University is located in Madison, New Jersey, about thirty miles west of Manhattan, on a wooded 186-acre campus nicknamed "the university in the forest." In the nineteenth century, the site housed the antebellum estate of businessman Daniel Drew, who donated the estate and $250,000 to establish the Drew Theological Seminary. The first students attended classes at the seminary in 1867. The College of Missions was added in 1920, offering a course of study for women. In 1928, Arthur and Leonard Baldwin donated $1.5 million to help build an undergraduate liberal arts college, and these educational institutions eventually became known as Drew University.

By 2009, the university was providing a range of undergraduate and graduate programs and emphasizing interdisciplinary courses of study. The Caspersen School for Graduate Studies, which opened in 1955, offers masters of arts degrees and doctoral programs in teaching, poetry, arts and letters, and medical humanities; the Theological School provides masters and doctoral degrees in theological studies and prepares students to enter the ministry. About twenty-five hundred students are enrolled at Drew, the majority of them undergraduates, and most of the students live on campus. The annual tuition, more than $35,000 a year, makes Drew one of the most expensive colleges in the United States.

Drew University employs about 155 full-time faculty members. The archives of the United Methodist Church are housed on the campus, and the library has a large number of documents related to author Willa Cather. During the summer, Drew University is home to the New Jersey Shakespeare Festival.

LEGACY

Daniel Drew was one of the great American robber barons. His methods for earning money were certainly illegal by twenty-first century standards. He engaged in predatory pricing, manipulated stock prices for his own gain, and traded stock based on insider information. In the nineteenth century, however, such activities were normal and usually thought to be smart business practices.

Drew's legacy, however, was not entirely negative. Having had many religious experiences throughout his life and professing to be a devout believer, in the 1860's he donated a large sum of money to establish the Drew Theological Seminary in Madison, New Jersey. The school eventually grew to become Drew University, one of the nation's top liberal arts colleges.

—*Steven Pressman*

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Anthony Joseph Drexel

American banker and landowner

Drawing on substantial wealth derived from his successes in banking and real estate ventures, Drexel became a major philanthropist, founding the Drexel Institute of Science and Technology (now known as Drexel University) in 1891. He also established a network of brokerage houses and financial institutions with offices in New York, San Francisco, London, and Paris.

Born: September 13, 1826; Philadelphia, Pennsylvania
Died: June 30, 1893; Carlsbad, Bohemia (now Karlovy Vary, Czech Republic)
Sources of wealth: Inheritance; banking; real estate
Bequeathal of wealth: Relatives; charity; educational institution

Early Life

A member of a prominent Philadelphia family deeply involved in banking, brokerage, and finance, Anthony Joseph Drexel (DREHK-suhl) got an early start in his family's enterprises. At the age of thirteen, he took his first job at the banking institution founded in 1836 by Francis Martin Drexel, his Austrian-born father. Possessed of a singular aptitude for banking and finance, young Drexel was a fast learner and an enthusiastic and imaginative businessman. When he was twenty-one, he became a partner in his father's financial firm, Drexel and Company, the corporation that would soon become Drexel Burnham Lambert, one of the most distinguished financial houses in the United States.

First Ventures

Five years after the death of his father in 1863, Drexel, growing restless and eager to expand, left his father's firm to establish a new banking corporation, Drexel, Harjes and Company, which he founded with his partners, John H. Harjes and Eugene Winthrop, in 1868. This company, based in Paris, had a broad international reach. Drexel had greatly increased his fortune during the post-Civil War building boom, for much of which Drexel's company arranged financing. Investment banker Jay Cooke provided considerable sums for the Union cause during the Civil War, and most of this funding derived from the patronage of Drexel's corporations.

Mature Wealth

Drexel obtained the funding for George Child to purchase the *Philadelphia Public Ledger*, the first newspaper in the United States to be both politically independent and highly successful. Drexel became a partner with Child in the newspaper. When Drexel's former office boy, Henry Codman Potter, became a bishop in the Episcopal Church, Drexel worked with him to bring about the construction of the largest church in the United States, the Cathedral of Saint John the Divine in New York City. Much of the funding for constructing the cathedral was obtained through Drexel's efforts. When his niece, Katharine Drexel, began to establish an innovative network of schools throughout the United States for African Americans and Native Americans, something almost unimaginable in the last half of the nineteenth century, Drexel not only arranged much of the financing for this enterprise but also made substantial personal contributions to these schools. Katharine, founder of the Sisters of the Blessed Sacrament, devoted her life to working with minorities, and in recognition of this work she was beatified, achieving sainthood in the Roman Catholic Church in October, 2000.

Drexel had a unique skill in arranging the issuance of government bonds as they were being prepared for marketing. This was a profitable undertaking and helped to establish Drexel as a trustworthy financier who could be depended upon to deal efficiently and honestly with complex financial matters. He also excelled in helping the rapidly expanding American railway system to garner the extensive financing it required. Meanwhile, Drexel was much involved in providing the American mining industry with the needed financial resources for its expansion. Ever devoted to Philadelphia, Drexel bought considerable real estate in the city and its environs, becoming one of the largest property holders in the area.

Despite his prominence in banking circles, Drexel was an intensely private person. He declined to be interviewed and did not keep a diary or a journal. Although he was often encouraged to enter the political arena, he always refused. He destroyed most of his personal papers. Most important, however, he was a highly moral person about whom there was never any breath of scandal, financial or sexual.

So socially withdrawn was Drexel that when Drexel Institute held its opening ceremonies on December 17, 1891, an event attended by an estimated two thousand people, Drexel declined to attend, explaining that he was still in mourning for his wife, Ellen, who had died three months earlier. The opening of the institution was marked by the attendance of such notables as Andrew Carnegie, Thomas Edison, J. P. Morgan, Vice President Levi P. Morton, three members of President Benjamin Harrison's cabinet, U.S. senator Chauncey Depew, and dozens of other luminaries. The establishment of Drexel Institute was as much Ellen's idea as it was her hus-

Drexel University

The charitable contribution for which Anthony Joseph Drexel is most remembered is his founding of a unique institution of higher learning, the Drexel Institute of Art, Science, and Industry, renamed Drexel Institute of Technology in 1936 and Drexel University in 1970. During the 1880's, Drexel had been toying with the notion of creating an educational institution. He had made substantial contributions to the network of schools established by his niece, Katharine Drexel. These schools, affiliated with the Roman Catholic Church, were created to serve the educational needs of African Americans and Native Americans.

Drexel realized the obstacles faced by members of racial minorities and by women wishing to gain educations. By the end of the 1880's, he began to conceive the idea of establishing an institution of higher learning in Philadelphia that would serve the needs of a broad range of students, most of them from the Philadelphia area. Admission would be open to all students, regardless of race, gender, religious affiliation, or social class—a stipulation unheard of in contemporary private institutions of higher learning. Drexel's idea germinated quickly, and in 1891 construction began on this private institution that was to meet the educational needs of people of limited means, many of whom had little access to higher education. Drexel spent almost $1 million to construct the buildings in which the institution would be housed and an additional $2 million to staff and equip the university.

Drexel was a practical man. He realized that his university would attract the greatest number of students if it differed from existing private schools of higher learning. To this end, Drexel Institute initiated cooperative programs in which students took time off from their classes to work, for remuneration, in fields related to their studies. The institution also offered a broad selection of night courses, thereby enabling students with full-time jobs to pursue their education while maintaining the jobs needed to support themselves. Generous scholarships were also available to those in need.

Drexel also built his institution within walking distance of a nearby railway station and near several tramlines, enabling students to have accessible transportation to the campus from anywhere in the area. Drexel Institute was largely a commuter's college. Its working-class student body was diverse in backgrounds and ages. Students typically earned their undergraduate degrees in five or six years, compared with four years at most other private colleges.

Drexel University has consistently been at the forefront of many innovative educational programs. Since 2000, it has had the largest medical school in the United States. The medical school, located on two separate campuses, was created by merging two existing institutions—the Hahnemann Medical School and the Women's Medical College of Pennsylvania—with Drexel University.

band's. The last public event that she hosted in her suburban Lansdowne home, Runnymeade, was a reception for people who had been instrumental in establishing the school.

Although Drexel had derived a great deal of his educational philosophy from his niece, Katharine, he had definite ideas regarding education. He had the good sense, however, to realize that conditions change and the institutions that serve people best are those that remain flexible. He did not, therefore, impose his ideas on Drexel Institute.

Drexel's greatest gift was his ability to help people discover their own deep-seated potential and flourish as a result of such discoveries. Prominent among those he influenced in this way were Morgan, Cooke, Child, and his niece, Katharine, who was close to her uncle. Morgan was an underachiever. He lacked self-confidence and seemed to be headed nowhere until, at the urging of his father, Junius Spencer Morgan, Drexel became involved in the young man's life. However, Drexel did not receive full credit for affecting Morgan's life, largely because all of the papers relating to Drexel were destroyed on his orders, whereas the Morgan papers have been preserved.

J. P. Morgan and Company, which became one of the world's most celebrated banking establishments, was actually founded by Drexel, not by Morgan. Drexel and Morgan became partners in 1871 with the founding of Drexel, Morgan and Company. This new partnership was based in New York City, but it served as an agent for Europeans investing in the United States. When Drexel, Morgan was established, Drexel Harjes, now in business for three years, became the French affiliate for the banking corporation that would eventually be called J. P. Morgan and Company and was later known as J. P. Morgan Chase.

The Drexel-Morgan partnership was very strong and had a vast impact upon the growth of industry in the United States. Drexel, Morgan and Company and J. P. Morgan and Company were responsible for the financing that led to the establishment of three corporate giants, General Electric Company, International Harvester Corporation, and United States Steel Corporation (better known as U.S. Steel), to say nothing of many smaller companies. United States Steel, which Morgan took over from Carnegie, became the world's first billion-dollar corporation.

Legacy

Drexel died in 1893. Upon his death, it was revealed that he had left Drexel Institute $1 million and much of his valuable art collection. He also provided every clerk at Drexel and Company with $100 for every year of service. He had established three trusts for family members. His estate was valued at between $25 and $35 million, the largest on record in Pennsylvania at that time.

Besides his corporate contributions, Drexel's legacy was firmly established with his founding of the Drexel Institute of Technology. This institution embodied an educational and social philosophy that was unique at the end of the nineteenth century, a philosophy completely compatible with the democratic ideals of the United States.

—R. Baird Shuman

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See also: George F. Baker; Andrew Carnegie; Jay Cooke; Daniel Drew; Thomas Edison; Jay Gould; Hetty Green; J. P. Morgan; George Peabody; Russell Sage; Jacob Schiff; James Stillman.

Doris Duke

American socialite, philanthropist, and investor

Duke was a generous philanthropist during her lifetime. Her will endowed the Doris Duke Charitable Foundation, which provides grants for medical research, wildlife preservation, child abuse prevention, and the performing arts. Her foundation also supports three estates that are educational or recreational centers open to the public.

Born: November 22, 1912; New York, New York
Died: October 28, 1993; Beverly Hills, California
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Charity

Early Life

Doris Duke was born in New York City on November 22, 1912. She was the only child of American tobacco and energy tycoon James Buchanan Duke and his second wife, Nanaline Holt Inman, a southern aristocrat and widow of William Patterson Inman. At her birth, Duke was called the world's richest baby. She had a loving relationship with her father, who treated her as an adult. She had personal servants, including a chauffeur, bodyguards, maids, nurses, and private tutors. Duke led a sheltered life without close friends of her own age. She developed a love for gospel singing on a trip to Harlem in New York City with her father. On his deathbed, Duke's father told her to trust no one. He died on October 10, 1925, before her thirteenth birthday, leaving her $100 million ($1.25 billion in 2008).

First Ventures

Duke's father left only a small trust fund to his wife, so the mother-daughter relationship was strained. When her mother began selling family assets, the fourteen-year-old Duke sued her mother in order to stop her. After her father's death, Duke read bags of mail that he had hidden from her. Death threats and demands for money made Duke realize there were people who hated her for her wealth. For the rest of her life, she would value privacy and security. However, the media was fascinated with the lives of the rich and relentlessly pursued Duke.

When the stock market crashed in 1929 and many of Duke's affluent friends lost their fortunes, she helped them financially, often secretly. Duke anonymously purchased organs for thousands of small churches in the United States. At the age of twenty-one, Duke used money from a trust fund to establish her first foundation, Independent Aid, later called the Doris Duke Charitable Foundation. This foundation was established to perform primarily anonymous philanthropy throughout Duke's life.

Doris Duke in her car. (NY Daily News via Getty Images)

Mature Wealth

In February, 1935, Duke married thirty-eight-year-old Jimmy Cromwell, a playboy with political ambitions. His family had lost much of its fortune, so he needed Duke's financial support. She gave him a monthly allowance of $10,000 (the equivalent of $125,000 in 2008). Their honeymoon was a two-year trip around the world, during which Duke developed a passion for Southeast Asian and Islamic culture. She purchased priceless art treasures. Their last stop was Honolulu, Hawaii, where Duke built a winter home, Shangri La, in 1937.

Shangri La became Duke's private retreat, where she could escape unwanted publicity. She built it to house her collection of Islamic art and to create a unique blend of Islamic and Hawaiian architecture and landscape. For more than fifty

The Doris Duke Charitable Foundation

Doris Duke was famous for her vast wealth and often scandalous life, but she was also a generous philanthropist, dancer, musician, art collector, and environmentalist. On October 28, 1993, Doris Duke died at the age of eighty. She wanted the bulk of her $1.2 billion estate to be donated to charity for the improvement of humanity. After years of bitter litigation and numerous claims to her fortune, her estate was finally settled. The Doris Duke Charitable Foundation (DDCF) was created in 1996 to improve the quality of people's lives. In keeping with Duke's wishes, DDCF set up grant programs in four areas: performing arts, environmental conservation, medical research, and child abuse prevention.

Her will also called for three operating foundations to be funded by the DDCF in order to manage and preserve three properties. The Duke Farms Foundation manages the twenty-seven-hundred-acre Duke Farms in Hillsborough, New Jersey. Duke's father, tobacco and energy tycoon James Buchanan Duke, had developed this family estate as a public park for the enjoyment of nature, and Doris, a lifelong conservationist, had designed greenhouse gardens reflecting diverse areas of the world. The Doris Duke Foundation for Islamic Art preserves Shangri La, Duke's palace in Honolulu, Hawaii. The Newport Restoration Foundation manages historic houses in Newport, Rhode Island, and Rough Point, her summer home in Newport. All properties are educational or recreational resources open to the public.

The first grants were awarded in 1997. From 1997 through 2008, DDCF approved 947 grants totaling more than $648 million to nonprofit organizations in the United States. In 2008, grants totaled almost $66 million.

In its first decade, the foundation's endowment nearly doubled to $2 billion. However, with fluctuations in portfolio returns and economic downturns, the foundation's financial assets totaled about $1.4 billion as of December 31, 2008. On March 18, 2009, a letter from DDCF's president Edward P. Henry addressed how declining assets and uncertain economic conditions would affect the foundation's future work. He stated that in 2009, internal operating costs would be reduced by 20 to 25 percent, total grant spending would be reduced by 25 percent, and special initiatives in climate change and African health would progress at half the previously planned budget.

In April, 2009, DDCF awarded $3.6 million in grants to four organizations to help states safeguard nature in an era of climate change. The recipients were the Association of Fish and Wildlife Agencies, Defenders of Wildlife, National Wildlife Federation, and the Theodore Roosevelt Conservation Partnership. In May, 2009, the foundation awarded a $2 million grant to the Environmental Defense Fund's Center for Conservation Incentives to enable the center to provide private landowners with incentives to conserve farms, forests, ranches, and other natural areas critical for the nation's wildlife.

years, Duke purchased or commissioned pieces for the collection of about thirty-five hundred artifacts. The five-acre Shangri La overlooks the Pacific Ocean and Diamond Head and showcases a seventy-five-foot saltwater pool and exotic gardens.

Cromwell became the U.S. ambassador to Canada in 1939, and the couple was often separated. Convinced that Cromwell was a fortune hunter, Duke was unhappy and had scandalous affairs. In 1940, she gave birth to a premature baby girl, Arden, who lived only one day. Her doctors told Duke she would not be able to have more children. For the rest of her life, Duke grieved for Arden. Cromwell and Duke divorced in 1943.

In 1945, Duke became a foreign correspondent for the International News Service. After World War II, she was a writer for *Harper's Bazaar* in Paris, where she met Porfirio Rubirosa, a Dominican diplomat, race car driver, and polo player. They married in September, 1947. He was a notorious playboy, and Duke allegedly had paid $1 million to his previous wife Danielle Darrieux to divorce him. Rubirosa and Duke divorced in 1948.

During her lifetime, Duke made wise investments in real estate. She owned five homes, managed by a permanent staff of more than two hundred people. Her properties included Shangri La, the twenty-seven-hundred-acre Duke Farms in New Jersey, a Beverly Hills mansion, a Park Avenue penthouse, and Rough Point, her summer home in Newport, Rhode Island.

In 1988, at the age of seventy-five, Duke legally adopted thirty-five-year-old Charlene "Chandi" Heffner, whom Duke believed was the reincarnation of her deceased daughter, Arden. Heffner's friend Bernard Lafferty became Duke's butler, and James Burns, Heffner's boyfriend, became Duke's bodyguard. In 1990 in Hawaii, Duke became mysteriously sick and was knocked unconscious during a fall. Lafferty agreed with Duke that Heffner and Burns were plotting against her. Lafferty and Duke moved to her Beverly Hills mansion. In 1991, Duke ended her relationship with Heffner, who filed a breach-of-contract lawsuit.

During her last years, Duke was a recluse, mistrustful of friends and relatives. It was rumored that Lafferty isolated and controlled her. At his suggestion, she had a series of operations. In 1992, she fell and broke her hip days after getting cosmetic surgery. During recuperation, she took antidepressants, painkillers, and tranquilizers.

In April, 1993, Duke signed her final will, which named Lafferty as the executor of her estate. She also stated that she regretted the adoption of Heffner, who should not be allowed to inherit from Duke's estate or the two trust funds set up by Duke's father.

After a knee operation in July, 1993, she suffered a stroke, was hospitalized, and was put on feeding and breathing tubes. After returning home in September, 1993, she was an invalid and had to be heavily sedated with high doses of morphine. Duke died on October 28, 1993, and was cremated within twenty-four hours. Her ashes were scattered into the Pacific Ocean. Duke left most of her $1.2 billion estate to charity.

Probate lasted nearly three years. The litigation involved numerous claimants and complex issues. Duke's nurse, Tammy Payette, asserted that Lafferty had hastened Duke's death with high doses of morphine in order to keep Duke from changing her will. As Lafferty's health deteriorated, he agreed to resign as executor of Duke's estate for a cash settlement. Heffner sued the trustees and eventually settled for $65 million. Probate ended in 1996 with the establishment of the Doris Duke Charitable Foundation. Estate and legal fees had already reached $10 million by 1997.

Legacy

During her lifetime, Duke was an extremely generous and often anonymous philanthropist. She left most of her $1.2 billion estate to create one of the world's most richly endowed foundations. The Doris Duke Charitable Foundation was established in 1996 to improve the quality of people's lives by awarding grants and preserving Duke's historic estates as educational, environmental, and cultural resources.

Her controversial life, wealth, and mysterious death entered popular culture, including the film and television industries. In 1999, CBS (Columbia Broadcasting System) presented the four-part miniseries *Too Rich: The Secret Life of Doris Duke*, starring Lauren Bacall as Duke and Richard Chamberlain as Lafferty. In 2008, HBO (Home Box Office) broadcast *Bernard and Doris*, a semifictional drama starring Susan Sarandon as Duke and Ralph Fiennes as Lafferty, which received numerous Screen Actors Guild, Emmy, and Golden Globe awards.

—*Alice Myers*

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See also: Eighteenth Duchess of Alba; Brooke Astor; Vincent Astor; James Buchanan Duke; Barbara Hutton; Joan Kroc; Marjorie Merriweather Post; Consuelo Vanderbilt; Gloria Vanderbilt.

James Buchanan Duke

American tobacco and hydroelectric industrialist

Duke emerged as a typical rags-to-riches success in the cigarette and hydroelectric power businesses in the post-Civil War South. His trust fund, the Duke Endowment, has greatly contributed to the welfare of the Carolinas in the areas of health care, child care, religion, and higher education.

Born: December 23, 1856; Durham, North Carolina
Died: October 10, 1925; New York, New York
Also known as: Buck Duke
Sources of wealth: Manufacturing; sale of products; utilities
Bequeathal of wealth: Children; relatives; educational institution; charity

Early Life

James Buchanan "Buck" Duke was born in 1856 in Durham, North Carolina, the youngest son of Washington Duke and his second wife, Artelia Roney Duke. He received some schooling at local academies and attended New Garden School in Greensboro, North Carolina (now Guilford College), and the Eastman Business College in Poughkeepsie, New York. Duke, however, spent more time working on his father's farm and later in the family's tobacco product business than pursuing his education.

First Ventures

When Washington Duke returned from military service after the Civil War, he found that his farm had been ravaged by Union troops, but a load of tobacco stored in a shed somehow escaped confiscation. At that time tobacco was so scarce that Washington's load of tobacco sold quickly, and he switched from farming to tobacco production. He was the first person to plant tobacco in Durham, in 1858, and he founded William Duke and Sons Company in 1865 to process tobacco. By 1872, the Duke family sold 125,000 pounds of tobacco annually.

James Duke and his brother Benjamin Duke took over the company in the 1880's. Having difficulty competing with another well-established tobacco firm, Blackwell and Co., they decided to switch from tobacco production to cigarette manufacture, since cigarettes were then a new product. To compete with the four companies that produced 80 percent of cigarettes for the market, James Duke acquired a license to install two machines invented by James Albert Bonsack, which would roll his company's cigarettes, enabling him to produce cigarettes more quickly and efficiently than his competitors. Three years later, he moved his company to New Jersey to take advantage of the state's corporation laws and to exploit the markets in the northern and western United States.

Mature Wealth

By 1890, Duke's company provided 40 percent of the cigarettes marketed in the United States. Using the Bonsack machines, the company could produce more cigarettes than all its competitors combined. In addition, Duke merged with his four competitors, forming the American Tobacco Company, and then gradually obtained control of the American cigarette business. His next step was to enter the international market in order to compete with British companies. Duke reached an agreement with the British companies that enabled him to control the American market, while the British firms would dominate the market in British territories; Duke and the British firms also established the British-American Tobacco Company in order to cooperate in the sale of tobacco to the rest of the world. As a result of this agreement, by the beginning of the twentieth century Duke controlled 90 percent of the American and half of the international tobacco markets.

In 1906, the U.S. Supreme Court found Duke's company guilty of violating the Sherman Antitrust Act and ordered the corporation to divide into three separate companies: Liggett and Myers, the P. Lorillard Company, and the American Tobacco Company. According to the Court, Duke's business used illegal secret agreements and false public promotions to monopolize the market. In 1911, the Court again divided the American Tobacco Company into smaller companies. Duke now controlled only three companies, but with a capitalization of more than $500 million his power within the tobacco business remained strong. Around this time, Duke also sold his company's shares in the British-American Tobacco Company.

Another source of Duke's wealth was his hydroelectric business. He founded the Southern Power Company (now known as Duke Power) in 1905 to provide electricity to the Duke family's textile factory, which opened in 1892 and was managed by his brother Benjamin. Southern Power gradually became the sole electric supplier to cotton mills and other industrial companies, as well as to

Duke University

Trinity College, a Methodist-related school, was established in Randolph County, North Carolina, in 1838. Businessman Washington Duke helped the school relocate to Durham, North Carolina, in 1892. His son James Buchanan Duke helped build a new university near the school, providing $21 million from the Duke Endowment for construction. At the insistence of William Preston Few, the president of Trinity College, James Duke agreed to name the new school Duke University, with "Duke" referring to both Washington and James Duke.

Duke's original campus (now called East Campus) was rebuilt with Georgian-style buildings at a cost of $4.8 million, with construction beginning in 1925 and ending in 1927. The university's building committee expended more than $16 million for the Gothic-style buildings in the West Campus, the site of Duke Chapel, and for the purchase of more than five acres of land. The 210-foot chapel was the most expensive building on campus, built at a cost of $2.3 million, with construction completed in 1935. In 2008, the Duke Endowment provided $50 million to enable the Duke Medical Center to construct a building for medical education and to develop a state-of-the-art inpatient facility for pediatric patients.

In 1972, Trinity College merged with the Woman's College to become Trinity College of Arts and Sciences, the undergraduate liberal arts college of Duke University. Many of Duke University's goals are identical with the educational goals of the Duke Endowment. For example, in order to attract talented faculty, the university provides endowment funds for faculty chairs. In past decades, it has had the sixth highest number of Fulbright, Rhodes, Truman, and Goldwater scholarship recipients in the nation. Duke recruits top students from around the country, accepting about 20 percent of applicants, 96 percent of whom rank in the top 10 percent of their high school classes. The school has adopted a need-blind admissions policy, which accepts students based on their academic performance and potential without considering applicants' financial status or ability to pay for a college education. After a student is admitted, the university then commits to providing 100 percent of his or her financial need for all four years of undergraduate education.

In 2004, Duke University's research expenditures topped $490 million, and funding since then has increased 14.5 percent. In 2007, Duke launched a $30 million program called Duke Engage to provide students with community service opportunities. The school has also developed a joint medical program with the National University of Singapore.

cities and towns in the Piedmont region of North and South Carolina. From 1907 to 1925, the company built eleven power plants. In 1915, Duke purchased hydroelectric power resources on the Saguenay River in Quebec, Canada. He also increased his wealth with extensive investments in textile mills and corporations that produced cotton and wool.

Duke owned homes and estates in Charlotte, North Carolina; Somerville, New Jersey; New York City; and Newport, Rhode Island. These homes and estates were large and housed Duke's sculpture collections. The Charlotte mansion, for example, had forty-five rooms and twelve baths. With more than twenty-seven hundred acres of woods, lakes, and fields, Duke Farms in Hillsborough remained the largest private landholding in New Jersey into the twenty-first century. Duke acquired control of the Raritan Water Power Company partly as a means of supplying water to a chain of lakes, fountains, and streams on this estate.

The Duke family was well known in North and South Carolina for their generous philanthropy. Washington Duke helped relocate Trinity College from Trinity to Durham in 1892, and he gave the school a $100,000 endowment in 1896. James Duke's first gift to the school was a library building and $10,000 for books. On December 11, 1924, he established the Duke Endowment, a $40 million trust fund with designated beneficiaries in the Carolinas. His indenture of trust specified four educational institutions as beneficiaries: Trinity College (now Duke University); Furman University in Greenville, South Carolina; Johnson C. Smith University in Charlotte; and Davidson College in Davidson, North Carolina. Other beneficiaries included nonprofit hospitals and child-care institutions in the Carolinas, Methodist churches, and retired Methodist preachers in North Carolina. On his death, Duke left about half of his estate, or $67 million, to the trust fund, increasing the Duke Endowment to $107 million.

Duke became ill with pneumonia and died in New York City on October 10, 1925. Like his father and brother, he was buried in the Memorial Chapel on the campus of Duke University. The remainder of his estate, or the equivalent of about $1 billion, went to twelve-year-old Doris Duke, his only child from his second marriage, to Nanaline Holt Inman. As a result, Doris became the richest girl in the world, while her mother received only a small trust fund. In addition, Duke allocated $2 million to other relatives, including the children of his father's brothers and sisters.

LEGACY

James Buchanan Duke exemplified the American entrepreneurs, who, despite a lack of education, could rise from rags to riches through confidence and business acumen. While he was certainly an inspiring person in the business world, he was more important for the societal contributions made by his Duke Endowment. His practice of financial stewardship was inspired by his Methodist faith and his father, who was also a generous benefactor.

By the twenty-first century, the Duke Endowment, based in Charlotte, North Carolina, was one of the largest charitable foundations in the United States, valued at more than $2.7 billion. The endowment supported child care, health care, the Methodist Church, and higher education in the Carolinas. Its goal in promoting education was to educate people of principle and promise whose future contributions would benefit society. Funding from the Duke Endowment has allowed select colleges and universities to construct landmark facilities, attract talented faculty, recruit top students, improve affordability, support research, encourage innovation, and pioneer new roles for other universities and communities.

—*Anh Tran*

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See also: Arthur Vining Davis; Doris Duke; Thomas Fortune Ryan; Peter A. B. Widener.

ALFRED I. DU PONT

American industrialist and real estate developer

Du Pont used the wealth he acquired in his family's gunpowder works to develop the Florida panhandle. After his death, he bequeathed funds to provide care for chronically ill children in Delaware, eventually becoming the nation's largest single benefactor for children's health care.

Born: May 12, 1864; Brandywine Valley region, Delaware
Died: April 28, 1935; Jacksonville, Florida
Also known as: Alfred Irénée du Pont
Sources of wealth: Inheritance; patents; manufacturing; sale of products; investments; real estate
Bequeathal of wealth: Spouse; children; charity

EARLY LIFE

Alfred Irénée du Pont (dew pont) was born on May 12, 1864, the eldest of five children. His grandfather, Eleuthère Irénée du Pont (1771-1834), founded the family gunpowder business in the Brandywine Valley region of Delaware, and the business flourished because it obtained lucrative government contracts during the War of 1812. Alfred's father, Eleuthère Irénée du Pont II (1829-1877), was a senior partner in the family business. Because of his leadership and the large contracts obtained during the Crimean War and the Civil War, the business thrived. The du Ponts controlled much of Delaware politics, and by 1872 they were able to drive most of their rivals out of business, thus gaining a monopoly. Alfred frequently visited the gunpowder works with his father.

Life dramatically changed for Alfred at an early age. He began to lose his hearing after a boyhood swimming incident. When he was thirteen, his mother and father died within a month of each other. The five du Pont children were sent to boarding schools. Alfred attended the prestigious Andover Academy and then the Massachusetts Institute of Technology (MIT), where he joined his cousin, T. Coleman du Pont. Alfred was on the Andover Academy boxing team, played the violin, and had a talent for musical composition and for understanding the intricacies involved in the operation of machinery. At MIT, he studied chemistry, mathematics, and German, which at the time was a necessary language for understanding chemistry.

First Ventures

In 1884, upon completing his sophomore year, du Pont went to work in the family business. Within five years he had worked his way up from an entry-level common laborer at the Hagley Gunpowder Mills to the position of yard supervisor. By then, his loss of hearing was nearly complete and people had to communicate with him in writing. Nevertheless, du Pont quickly gained a reputation as a gunpowder expert, inventing new machinery to improve the efficiency and safety of the gunpowder manufacturing process. During his life, du Pont registered more than two hundred patents, most of which were related to gunpowder production. Within five years he was made a junior partner at the firm, along with his cousins, Coleman and Pierre, and the company was renamed E. I. du Pont de Nemours and Company.

Alfred I. du Pont. (The Granger Collection, New York)

In 1889, du Pont negotiated a license for "smokeless" gunpowder from a Belgian firm. The company made large profits from European sales and from government contracts during the Spanish-American War of 1898. By the end of the war, du Pont gunpowder was the first choice of the American armed forces. With the death of Edward du Pont in 1902, the other three senior partners considered selling the company to a rival firm. However, Alfred and his two cousins convinced the senior partners to turn the company over to the three younger men in exchange for promissory notes and shares of stock. As a result, Coleman became president, Pierre became treasurer and executive vice president, and Alfred served as vice president for operations and was also in charge of gunpowder production. Unfortunately, Alfred's hearing impairment was compounded by an additional physical problem, when in 1904, he lost an eye in a hunting accident.

Mature Wealth

As the older generation of du Pont managers made way for the new, the very nature of the family business was dramatically transformed. The three cousins, all MIT graduates, strongly believed that the company should diversify and pioneer innovative products, such as new types of paints, dyes, and plastics. Alfred supported research to create these products. The company had to decide if it would conduct research in departmental or general laboratories. Alfred argued that the company could do both, and he was able to get his way. However, Alfred's cousins generally considered him to be entirely too conservative in his business decisions and embarrassingly radical in his personal life. While Alfred was the undisputed "czar" of gunpowder operations, it was Coleman who was the master of the increasingly complex organizational structure and Pierre who was the financial wizard of the corporation as it became heavily involved in new technologies.

Increasingly, Albert's views ran contrary to those of his cousin Pierre. Alfred's personal life was also a divisive factor in his deteriorating relationship with his two cousins. Alfred divorced his first wife, the mother of his four children, in 1906, and the following year he married Alicia Bradford, a second cousin whose former husband worked for the company. To add to family concern, Alfred built his new wife a forty-seven-thousand-square-foot mansion in Wilmington, Delaware, housed on three hundred acres and designed in eighteenth century château style by renowned architects. The estate was named Nemours after the ancestral French town from which the du Ponts originated. For a leading national family in turn-of-the-century America, Alfred's personal life was embarrassing, if not scandalous.

The outbreak of World War I in 1914 caused a tremendous acceleration of gunpowder shipments, particularly to England and France, and increased prosperity for the three cousins. However, another war was brewing. In 1915, Alfred's two cousins decided to sell a large block of stock to company officers and directors. The company was clearly headed toward becoming a public corporation instead of a family-owned business. Alfred protested, and he then sued Pierre and Coleman. When the case was decided against Alfred in 1917, he resigned from the corporation and maintained lifelong enmity toward Coleman and Pierre.

Deciding to use his fortune to pave his own way in the financial world, du Pont established an investment firm, Nemours Trading Corporation, and an import-export operation in New York. He also invested in banks. Ultimately, he acquired a 60 percent interest in Delaware Trust Company.

In January, 1920, du Pont's wife Alicia died of a heart attack. One year later, he married Jessie Ball, a descendant of George Washington's mother, and moved to Florida. Jesse was a high school teacher and thirty-six years old when she married the nearly deaf fifty-seven-year-old du Pont. They began life together by building an elegant mansion in Jacksonville, Florida, and investing in south Florida real estate. Aiding his investment strategies was Jesse's brother, Edward Ball, who involved du Pont in the purchase of tens of thousands of acres in the Florida panhandle, including most of the city of Port St. Joe, the Apalachicola Northern Railroad, the St. Joseph Telephone & Telegraph Company, and several banks. In 1927, du Pont created the Gulf Coast Highways Association as a lobbying agency to obtain government funds for highway construction in the panhandle. However, the onset of the Great Depression forestalled most of these ambitious development plans. In 1929, du Pont helped save the Florida National Bank by giving the bank $15 million of his own funds to maintain its solvency.

Du Pont died in Jacksonville, Florida, in 1935, at the age of seventy. His wife Jessie continued his philan-

The Nemours Foundation

When Alfred I. du Pont died in 1935, he left an estate valued at $40 million and a will setting up a charitable foundation to provide health care services to children. Exactly why he chose this as the focus of his philanthropy remains a mystery, since there is no record of his involvement with chronically ill children during his lifetime. The foundation was to be named after his French ancestral home, Nemours, and was to devote its attention to the needs of children in du Pont's native state of Delaware.

Originally the foundation operated the Alfred I. du Pont Hospital for Children in Wilmington, Delaware, founded in 1940 to provide health care for crippled children. The hospital maintained this focus for the next four decades and then expanded to offer health care services to the elderly.

The death of Alfred's third wife, Jesse Ball du Pont, in 1971 greatly increased funding for the Nemours Foundation. In addition, Alfred du Pont's brother-in-law, Edward Ball, expanded the foundation after his death in 1981, when he left much of his vast estate for the care of children in Jacksonville, Florida. The bequest resulted in construction of the Nemours Children's Hospital in Jacksonville and the creation of dozens of pediatric clinics in Delaware, Florida, New Jersey, and Pennsylvania. Ball's bequest also led to significant funding for medical research aimed at discovering new means of treating diseases affecting children. In 2004, the foundation founded Nemours Health and Prevention Services, which takes a holistic approach to children's health and is focusing its initial efforts on a childhood obesity program in Delaware and an early dyslexia detection program in Jacksonville

The Nemours Foundation also maintains the popular *Kid's Health* Web site, which provides information about children's mental and physical health spanning the period from birth to adulthood. The three-hundred-acre Nemours Mansion and Gardens in Wilmington, Delaware, is also operated by the foundation. The forty-two-thousand-square-foot mansion, located on the grounds of the Alfred I. du Pont Hospital for Children, was built in Louis XIV château style and is furnished with antiques and many works of art. It is open for public tours, which conclude with a visit to the chauffeurs' garage, where the family's antique cars are on display. The Nemours Mansion and Gardens completed a $39 million restoration in 2008.

In 2009, the trust founded by Alfred I. du Pont was valued at $4.6 billion. Since 1940, 3 percent of the trust's funds have been distributed annually for health care, earning Alfred I. du Pont the distinction of being the nation's largest single benefactor for children's health care.

thropic interests until her death in 1970, while her brother, Edward Ball, managed du Pont's investments. By the time of Ball's death in 1981, du Pont's $40 million trust had increased to more than $2 billion.

Legacy

Alfred I. du Pont's expertise in gunpowder production and his role in helping to save the du Pont corporation from dissolution resulted in the growth of one of America's major and most enduring businesses. Although personal choices caused him to be regarded as the "du Pont family rebel," his life accomplishments earned him a place in history as an important member of an illustrious American family. The construction of two elegant mansions, one in Delaware and one in Florida, indicates that he did not stray too far from the lifestyle of opulent American families.

Du Pont's later entrepreneurial role in trying to stimulate economic growth in the Florida panhandle earned him recognition from the Florida Department of State in 2000, when he was named one of the "great Floridians." However, his greatest legacy is as a philanthropist. By establishing the Nemours Foundation, du Pont contributed his considerable financial resources to benefit the health of children.

—*Irwin Halfond*

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See also: Henry Francis du Pont; Irénée du Pont; Alfred Nobel; James Smithson; William Weightman.

Henry Francis du Pont

American art collector, horticulturist, and philanthropist

Du Pont amassed the world's most extensive collection of American antique furniture, furnishings, and decorative arts. He housed the objects in Winterthur, his Delaware mansion, where he used the estate and the collection to create the Winterthur Museum and its extensive gardens for the enjoyment and education of the public.

Born: May 27, 1880; Winterthur, Delaware
Died: April 10, 1969; Winterthur, Delaware
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Children; museum; educational institution

Early Life

Henry Francis du Pont (dew pont) was born into one of the wealthiest and most prominent families in the United States. His autocratic father, Henry Algernon du Pont, valedictorian of his class at the U.S. Military Academy at West Point and later a U.S. senator from Delaware, was disappointed in Henry Francis (better known as Harry), a shy boy who loved flowers and collecting birds' eggs and stamps. The only surviving son of seven children, Harry was very close to his mother, Mary Pauline Foster du Pont.

At age thirteen, the young du Pont was sent to board at the Groton School in Massachusetts. Never a good student, he graduated last in his class. Du Pont went on to Harvard University, where he studied planting procedures, the cultivation of shrubs and trees, and greenhouse maintenance at the Bussey Institution, Harvard's college of practical agriculture and horticulture. He graduated in 1903.

First Ventures

For the first time in 1901 and then almost every summer until the outbreak of World War I, du Pont traveled to Europe with his father to visit the great gardens, nurseries, and exhibitions of the times. He was particularly impressed with the design and color of English formal gardens.

After his father's election to the U.S. Senate in 1906, du Pont relocated to Washington, D.C., to serve on the senator's staff. However, a nervous condition that caused his fidgeting, poor handwriting, and mumbled speech made him unable to perform his job. His heart was at his family's Delaware mansion, Winterthur, where he had already planted daffodils in the estate's March Bank. It was not long before Senator du Pont realized that he should cede management of the estate's grounds and gardens to his son.

Du Pont worked assiduously at developing the two-thousand-acre farm. He raised a prizewinning herd of Holstein-Friesian cattle (the familiar black and white dairy cows), and he engaged landscape architect Marian Cruger Coffin to help him integrate planned gardens with the natural environment. By the early 1920's, the Winterthur estate had become almost a village unto itself. The approximately 250 inhabitants worked at the dairy farm and managed the estate's turkeys, chickens, Dorset sheep, hogs, purebred Percherons and other horses, guinea hens, Muscovy ducks and mallards, wheat fields, vegetable and flower gardens, greenhouses, a sawmill, tennis courts, a golf course, a railroad station, and a post office.

In 1916, du Pont married Ruth Wales, a New York neighbor of future president Franklin D. Roosevelt. The couple had two daughters, Pauline Louise and Ruth Ellen.

Mature Wealth

On tax returns and travel documents, du Pont listed his occupation as "farmer," but in 1923 a visit to friends J. Watson and Electra Webb in Vermont stimulated the career that would win him world-class recognition. Electra Webb collected American antiques, and a huge cupboard and its Staffordshire dishes caught du Pont's appreciative eye. For the next thirty years he sought out and acquired examples of historic American craftsmanship. (Both the cupboard and the Staffordshire dinnerware are displayed at the Winterthur Museum.) He became known as a discriminating connoisseur who always acted as his own agent, personally inspecting, judging, and negotiating every purchase.

When he inherited the Winterthur estate and another $50 million in 1927, du Pont conceived the idea of housing a great collection in a great mansion, and he expanded his father's house. Between 1929 and 1931, construction progressed on a $4.3 million, 150-foot-long addition that doubled the size of the main house at Winterthur. More than one hundred stonecutters and masons worked on the project, and much of the stone was quarried on the estate's property. Other, smaller expansions and renovations were contracted between 1931 and 1951.

As he worked at filling his 175 rooms with themed collections, du Pont could not help but compare his acquisitions to those of the new American Wing at the Metropolitan Museum of Art in New York City. In 1949, as befits a member of a hugely competitive family, he hired Joseph Downs, curator of the American Wing, to be the full-time photographer and cataloger of his holdings. He also employed Charles Montgomery, a Harvard graduate and antiques collector, to establish a professional staff to manage Winterthur as a museum.

Before Winterthur could be opened to the public, however, the du Ponts needed a place to live. Du Pont initiated construction of a new home to be called The Cottage a few hundred yards from the mansion. Hardly a "cottage" by any standards, the multistory stone building was designed in the Regency style by architect Thomas Waterman. The house had 21,345 square feet of living space.

In his report to classmates at his fiftieth Harvard reunion, du Pont wrote, "I have not wandered very far afield." Indeed, he spent his entire eighty-eight years deeply attached to Winterthur. After opening the museum in 1951, he devoted most of his time to his gardens. One of his greatest pleasures was walking among his plantings. He also loved the sunlit meadows, the paths through the woods, and the peaceful quiet of perhaps the finest country estate in America.

In 1961, du Pont was asked by First Lady Jacqueline Kennedy to chair the committee overseeing the renovation of the White House. Using his extensive contacts and his expertise, du Pont was able to obtain many donations of fine art and antique furniture. He frequently disagreed, however, with the consulting interior designer, Stéphane Boudin.

Henry Francis du Pont died in 1969, a month before his eighty-ninth birthday, and is buried in the Du Pont de Nemours Cemetery in Wilmington, Delaware.

Legacy

The rare and exquisite objects of du Pont's Winterthur collection are a magnificent gift to the American people, a gift that chronicles the evolution of the nation's aesthetic development and its lifestyle preferences. Perhaps

The Winterthur Museum

The Winterthur Museum in the Brandywine Valley of Delaware holds the world's foremost collection of antique American decorative arts and furniture. Its sixty acres of themed and color-balanced gardens and its nine-story mansion, with historically accurate and insightful displays of Americana, were the life work of Henry Francis du Pont. The buildings and the 983 acres upon which they stand had been home to five generations of the du Pont family. In 1951, du Pont gifted them to the Winterthur Museum Corporation for the enjoyment of the public and the preservation and appreciation of historic American lifestyles.

The Winterthur permanent collection comprises approximately eighty-nine thousand objects that were created or used in America between 1640 and 1840. The holdings include furniture, glass, textiles, quilts, embroidery, jewelry, silver, pewter, ironworks, ceramics, clocks, sculpture, paintings, and other works of art on paper. Tankards by Paul Revere; furniture by Newport, Rhode Island, cabinetmakers; paintings by Gilbert Stuart and Benjamin West; and a sixty-six-piece dinner set once owned by George Washington are among the notable items.

More than 200,000 visitors annually tour Winterthur. The 175 rooms in the mansion are organized either thematically or chronologically. Because Henry Francis du Pont insisted that no fences, ropes, or other control devices be allowed to mar a guest's enjoyment of the collection, most rooms are open to the public only on guided tours for small groups. An advance appointment is required.

During the 1990's, more than fifty-three thousand square feet of public space was built adjacent to the main museum building. Called the Galleries and the Visitors Center, these facilities feature self-guided tours through a permanent exhibition of eight hundred household objects. Items on display range from tea services to toys, from long rifles to musical instruments, from necklaces to tankards, and from chairs to armoires. The Galleries also provide space for rotating exhibits, such as the American quilts collection of 2008.

The Winterthur Library and Research Center (almost seventy thousand square feet) includes more than eighty-seven thousand volumes and approximately half a million manuscripts and images, most of which are relevant to American decorative arts, material culture, and architecture. The building also houses extensive conservation, research, and education facilities, including the Winterthur Program in Early American Culture and the Winterthur/University of Delaware Art Conservation Program.

Outdoors, the paths through the garden areas are open to the public. By choosing and placing plantings with consideration to seasonal blooming and color, du Pont created an ever-changing but permanent landscape of beauty. Among the named gardens are the Azalea Woods, the March Walk, the Sundial Garden, the Pinetum, the Lookout, the Quarry, and the Goldfish Pond and Waterfalls. Winterthur's rhododendrons are famous worldwide. There is also an Enchanted Woods area for children.

The name "Winterthur" comes from a town in Switzerland that was the ancestral home of James Antoine Bidermann, husband of Evelina Gabrielle du Pont. Bidermann designed the first residence on the estate and began building in 1837. The property remained in the du Pont family until the creation of the Winterthur Museum.

equally important, however, is the estate itself. By observing the mansion and other buildings and the breathtaking gardens, visitors can learn what it meant to be an incredibly wealthy person living in the United States during the first half of the twentieth century. In addition to the pleasures and treasures of Winterthur, du Pont contributed to the development of courses of study in American culture and art conservation at Winterthur and at the University of Delaware. The Society of Winterthur Fellows, established in 1951, continues to function in support of du Pont's ideas and goals.

Despite his passions for art, collecting antiques, horticulture, and breeding livestock, du Pont also took an active part in the management of both E. I. du Pont de Nemours and Company and General Motors. In everything he did, he reached for excellence or perfection. His life exemplifies the American ideals of leadership, generosity, public service, and outstanding planning and management.

—*Carolyn Janik*

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See also: Ninth Duke of Bedford; Alfred I. du Pont; Irénée du Pont; Henry Clay Frick; Isabella Stewart Gardner; J. Paul Getty; Armand Hammer; Collis P. Huntington; Nicholas Longworth; Andrew Mellon; Abby Aldrich Rockefeller.

Irénée du Pont

American chemical engineer and industrialist

Du Pont helped build his family's company from a gunpowder producer to one of the nation's major chemical manufacturers. His wealth was passed on to immediate family members, with a fraction of it allocated to build an elegant mansion in Cuba.

Born: December 21, 1876; Brandywine Valley, Delaware
Died: December 12, 1963; Wilmington, Delaware
Sources of wealth: Inheritance; manufacturing; sale of products
Bequeathal of wealth: Children; relatives

Early Life

Irénée du Pont (IHR-eh-nay dew pont) was born in 1876, the seventh of eleven children. His great-grandfather, Eleuthère Irénée du Pont (1771-1834), founded the family gunpowder business at Brandywine Valley, Delaware. The company initially flourished when it obtained lucrative government contracts during the War of 1812, and its business became even more profitable during the Crimean War (1854-1856) and Civil War (1861-1865). Irénée's father, Lammot du Pont (1831-1884), was a partner in the family corporation, and his mother, Mary Belin du Pont, came from a family that had headed the du Pont company's accounting department.

Irénée spent his first five years at the family mansion, Nemours. The residence was owned by the du Pont company, as were all the nearby homes of his uncles, cousins, and important but unrelated company managers. In the winter of 1881, Lammot moved his large family to West Philadelphia in order to head a plant designed for the production of a new explosive, nitroglycerin. On March 29, 1884, the seven-year-old Irénée learned that his father and five others had been killed instantly in an explosion at the nitroglycerin plant. Although fatherless, the family was financially secure. Male leadership of the family fell to Irénée's older brother, Pierre, who maintained a close and lifelong relationship with Irénée and their younger brother Lammot.

Irénée studied at Andover and then followed Pierre in attending the Massachusetts Institute of Technology (MIT). He joined the Phi Beta Epsilon fraternity. Ultimately, he gained recognition as one of the first of the du Pont brothers to contribute more than $400,000 to the fraternity. Irénée graduated in 1897 with a bachelor's degree in chemical engineering and went on to earn a master's degree the following year. Upon graduation, he was hired by Pierre's former MIT roommate and close friend, William H. Fenn, to work for Fenn's construction company in Wilmington, Delaware. Irénée married in 1900 and raised a family consisting of five girls and one boy. By the time of his death in 1963, he had thirty-five grandchildren and five great-grandchildren.

First Ventures

In 1902, du Pont carried out Fenn Construction's expansion of the E. I. du Pont de Nemours and Company headquarters in the Equitable Trust Company Building in Wilmington, designing an additional two stories for the

Xanadu

In 1927, Irénée du Pont decided to search for the ideal place to build a retirement retreat. He found his location in Varadero, Cuba, in the form of 1,328 acres of tropical splendor, with five miles of pristine beaches backed by the San Bernardino crags. Here he built his mansion, Xanadu, on a cliff fifteen yards from the ocean. Xanadu was designed by the architects Evelio Govantes and Felix Cabarrocas and constructed by the Frederick Sneard Corporation. The residence was completed on December 30, 1930, at a cost of $1.3 million.

This four-story mansion contained eleven bedrooms with adjoining baths, three large terraces, and seven balconies. Each room had an ocean view. The floors were made of Cuban, Italian, and Spanish marble, and precious woods were used for the ceilings, staircase rails, and columns. In front of the house was a private dock. In 1932, Irénée installed the largest privately owned organ in Latin America in Xanadu's basement, and the organ piped music to different sections of the mansion. The elegance of Xanadu was matched by its beautiful location and lush landscape. The property featured gardens with tropical plants and coconut and other fruit trees. Parrots and cockatoos were transported to the gardens in abundance to make the gardens appear even more exotic.

Irénée spent several months a year at Xanadu, usually escaping the cold Delaware winters after New Year's Day. Important corporate guests were often invited to Xanadu and were awed by the manmade and natural beauty. Varadero, Cuba, attracted many other notable people, both famous and infamous. Cuban leader Fulgencio Batista y Zaldívar and mobster Al Capone built mansions there, and the area was a site of resort hotels and casinos frequented by film stars and an assortment of gangsters. After Fidel Castro wrested control of Cuba from Batista in 1959, Castro eventually confiscated Xanadu and nationalized the mansion and the property on which it was located.

Irénée last visited Xanadu in March, 1957. He died on December 12, 1963, the same day that his former mansion opened as the restaurant Las Americas, with Soviet cosmonaut Valentina Tereshkova among the diners. In 1999, Xanadu housed the Varadero Golf Club, which was the site of the European Tour Grand Final in 1999 and 2000. By 2009, the golf club had been remodeled by the Cuban government and converted to a clubhouse with six rooms for rent, a restaurant on the first floor, and a wine cellar in the basement.

structure. Within a year he was recruited by his first cousin T. Coleman du Pont, the president of the family firm, who wanted Irénée to head the company's engineering division. Irénée was also put in charge of appraising gunpowder operations. In 1904, Pierre appointed Irénée to the company's board of directors. Pierre's rise in the company meant increasing responsibilities for his brothers Irénée and Lammot.They had Pierre's complete confidence, and in turn he received their unqualified loyalty. Irénée soon became assistant general manager, and he and Lammot were considered the brightest of the new generation of du Pont leadership.

In 1907, the federal government filed an antitrust suit against the du Pont company, alleging restraint of trade in the explosives industry. A federal court ruled against the firm in 1911, and a year later du Pont agreed to divest itself of enough assets to create two competing gunpowder and dynamite manufacturers. As a result of this litigation, Irénée maintained a lifelong hatred of "big government." During the Great Depression, he became an outspoken critic of President Franklin D. Roosevelt's policies, which involved the government in the nation's economic recovery. There has been speculation that in 1933 Irénée may have participated in a plot by prominent businessmen to remove Roosevelt from office.

As a chemical engineer, Irénée was always excited about the possibilities of new products. In 1908, he became fascinated by a new way to use guncotton to make nitrocellulose-based artificial leather. The du Pont company expanded its manufacture of this product in 1910 by acquiring the Fabrikoid Company, the largest maker of artificial leather.

In 1914, as World War I loomed on the horizon, an entirely new executive committee was appointed at du Pont, with Irénée as chairman. Coleman's interests turned to other business matters, and Pierre was responsible for the firm's day-to-day operations. Meanwhile, a decision to issue common stock and create a bonus plan for corporate management split the family, as Pierre du Pont fought Alfred I. du Pont in a major court battle.

World War I was of major significance to the du Pont company. The war created an enormous demand for explosives that necessitated a rapid expansion of the firm's production. By 1916, World War I had generated such huge profits for du Pont that the company was able to give all of its shareholders a 100 percent return on dividends. Following America's entry into the war in April, 1917, Pierre sent Irénée to Washington, D.C., to negotiate a fair price for du Pont company gunpowder with the War Industry Board.

Mature Wealth

In 1915, Pierre, who owned stock in General Motors (GM), was elected chairman and a director of the automobile company. After World War I, du Pont's directors invested $25 million in GM, and GM became a major customer for du Pont's new durable quick-drying lacquer paint, marketed under the name Viscolac and later refined under the names Duco and DuLux. In 1920, Pierre became president of GM, and Irénée succeeded him as president of the du Pont company.

During his term as company president, Irénée reorganized the management structure at du Pont, allowing daily management decisions to be made by individual departments, each with its own production, sales, and research departments, as well as general managers who were answerable to the firm's executive committee. Under this decentralized management structure, the du Pont company earned a fortune by manufacturing durable paint for cars, cellophane, and a host of other products. The firm's management structure soon became a model for many other large corporations. Irénée also made department managers responsible for worker safety, which became an aspect of daily operating procedures.

On March 15, 1926, Irénée was succeeded by his brother Lammot as president of du Pont, and Irénée was elected chairman of the board of directors. One year later, he decided to enter into semiretirement and sought a location to build a sumptuous estate. He found such a site on the white sand beaches of Varadero, Cuba, where he built a mansion named Xanadu, after the legendary palace of the Mongol ruler Kublai Khan. Xanadu was completed in late December, 1930. Irénée spent several months each year at Xanadu and remained on the du Pont board of directors until his full retirement in 1958. At this time, his personal wealth, tabulated by *Fortune* magazine, was between $200 and $400 million, making him one of the two richest members of the du Pont family and one of the twenty richest Americans. At the time of his retirement, the du Pont Corporation employed ninety thousand workers in seventy-four plants worldwide.

Legacy

Irénée du Pont, along with his bothers Pierre and Lammot, played a major role in the growth of E. I. du Pont de Nemours & Company, transforming the corporation from a large gunpowder producer to one of the world's largest chemical manufacturing conglomerates. Irénée helped steer DuPont (as it is commonly known) into diversified production and instituted a decentralized management system that became a worldwide model for large corporations. In doing so, he became one of the twenty wealthiest Americans, enjoying his semiretirement in a mansion on a luxurious 1,328-acre estate. However, his possible involvement in a corporate conspiracy to overthrow the presidency of Franklin D. Roosevelt and his alleged strong positive feelings for the antisocialist policies of Adolf Hitler have relegated this corporate giant to historical obscurity.

—Irwin Halfond

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See also: Alfred I. du Pont; Henry Francis du Pont; Alfred Nobel; James Smithson; William Weightman.

George Eastman

American inventor, industrialist, and philanthropist

Eastman was the inventor of roll film, the founder of the Eastman Kodak Company, and the popularizer of photography as a hobby and leisure activity. He used his wealth, amassed as head of a premier American business, to support educational institutions and medical advances by donating large sums of money to colleges, universities, and hospitals.

Born: July 12, 1854; Waterville, New York
Died: March 14, 1932; Rochester, New York
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Educational institution; charity

Early Life

George Eastman was born July 12, 1854, in an upstate New York village about twenty miles from Utica. His father, George Washington Eastman, died in 1862, leaving the family in such dire financial straits that when young Eastman reached his teens, he had to drop out of high school to support his mother, Maria Kilbourn Eastman, and his sister. He worked as a messenger and office boy for insurance agencies, eventually progressing to better-paying positions as policy filer and occasional policy writer. He studied accounting at night in order to get a better paying job. By 1874, he was working as a junior clerk at a savings bank in Rochester, New York.

At the age of twenty-four, Eastman was solvent and planned a vacation to Santo Domingo, where he intended to invest in property. Advised by a friend to take photographs of the properties in which he was interested, Eastman purchased photographic equipment and was immediately fascinated by photography. He did not get to Santo Domingo, but he continued to develop his interest in photography.

George Eastman. (Smithsonian Institution)

First Ventures

At that time, photography was such a complicated process and the equipment was so cumbersome that Eastman decided to make photography more user-friendly. He began studying about photography and experimenting with formulas resulting in a high-quality emulsion and a machine that produced dry photographic plates, which were less difficult to use than the wet plates employed by photographers. It took him three years of experimentation, but by 1880 he had a patent for his machine and had set up a small company in Rochester, where he manufactured the dry plates that photographers soon preferred.

He soon realized that while his dry plates made taking pictures easier for professional photographers, professionals were about the only people who could use the huge, complicated cameras. He began looking for a way to make photography more accessible to amateurs. As he saw it, three things were needed: The photographic plate must be made of a lighter-weight, less breakable material than the conventional glass; the camera must be smaller and lighter, so it would not require a tripod; and the photographic image needed a simpler developing process. All photographs taken the conventional way had to be processed within minutes of exposure, which required photographers to transport all the necessary chemicals and equipment to their photo shoots in order to immediately develop their images.

When Eastman finally developed roll film and a small handheld camera that addressed the first two concerns, he conceived the idea of having the users simply mail the roll of exposed film to his company for developing. He advertised that his business, which he named the Kodak Company, would enable the people who used his cameras and film to merely "press the button; we do the rest." By 1897, the name "Kodak" was known worldwide. Amateur photographers embraced the easy-to-use camera and film. When in 1889, Eastman worked with Thomas Edison to develop a strong, flexible roll film for use in Edison's motion-picture camera, the kinetograph, Eastman's company began to grow into the Kodak empire and Eastman became one of the wealthiest men of his time.

A British advertisement for Kodak's Brownie camera, which sold for five shillings, equivalent to about $1.25 in U.S. currency. This camera and George Eastman's other innovations made photography accessible to the general public. (Hulton Archive/Getty Images)

Mature Wealth

Through dynamic advertising and sound business practices, Eastman made Kodak a prosperous company. He was one of the first businessmen to provide dividends to his employees in a form of profit sharing. He also established disability benefit plans, retirement annuities, and life insurance for his workforce. He believed these policies engendered worker goodwill and loyalty to the company, which, in turn, helped ensure high productivity and increased profits.

Although his first Kodak camera cost $25 in 1888, Eastman developed the one-dollar Brownie camera, which anyone could afford and use easily. He soon had Americans of all kinds buying his cameras and film. The profits of his company were enormous.

Perhaps because Eastman never married or had children, he was an extremely generous donor to various charities. A firm believer in the value of good dental care, perhaps because both he and his mother had suffered from tooth problems, he established a dental clinic and a dental program for children in Rochester. He sent donations abroad to England, France, and other countries to establish dental clinics in large cities. He was responsible for creating a school of dentistry at the University of Rochester. The fact that his mother suffered from a debilitating disease that confined her to a wheelchair, and an older sister contracted and died from polio at a young age, no doubt encouraged his support of hospitals and other health-related institutions.

Eastman was especially interested in educational institutions. His father in 1854 established and began operating a business school, Eastman's Commercial College. However, when his father died in 1861, his father's partner took over control and management of the school, and the Eastmans had no further connection to it. Eastman, a high school dropout, understood the value of education and sought to help several institutions. He gave magnanimous donations of as much as $54 million to the University of Rochester. He also gave more than $25 million, anonymously, to the Massachusetts Institute of Technology because he was impressed by the caliber of its graduates, several of whom he hired for his company. His parents had been raised by abolitionist parents involved with the Underground Railroad. With such a background, Eastman donated $2 million each to the predominantly African American colleges Tuskegee Institute and Hampton Institute.

His inclination toward philanthropy started early in his life. At a time when he was still working for others and his salary was only $60 a week, he gave $50 to a small school, Mechanics Institute of Rochester, that went on to become the Rochester Institute of Technology, a school with more than ten thousand students by the twenty-first century.

Eastman was a community-conscious booster of Rochester. He wanted to improve the quality of people's lives and provide opportunities for them to enjoy natural beauty and beautiful music well played. With that in mind, he channeled some of his money to the support of a city symphony orchestra. To ensure that there would always be well-trained musicians to play beautiful music, he established a school of music at the University of Rochester, where students could study and train to become expert musicians. He also supported the public parks, where everyone could enjoy the pleasures of nature.

Eastman retired from daily management of the Kodak Company in 1925 at the age of seventy-one, becoming chairman of the board. He spent much of his retirement in philanthropic pursuits that placed him in the same league as the better-known philanthropists of the time, such as Andrew Carnegie and John D. Rockefeller. Eastman also traveled to Europe, where he avidly toured art galleries. He bought many paintings, acquiring one of the best private collections in the country. He went on safari in Kenya and Uganda and bagged a white rhinoceros and an elephant.

By 1930, he had developed a degenerative spinal cord disease that caused him intense pain. When he began having trouble standing and walking after always being an active person, he became depressed. His mother's final years were spent in a wheelchair, and he had no desire to suffer the same unhappy fate. He proceeded to put his affairs in order by reviewing his will and making changes. He invited some friends to his home to witness the will changes and to say what they did not realize at the time would be their last good-byes. After they left, he went to his room, took an automatic pistol, and committed suicide with a shot to the heart. He was seventy-seven years old.

EASTMAN SCHOOL OF MUSIC

George Eastman always loved music and thought music appreciation could be cultivated if music was made accessible to the community. Hiring musicians, he said, was easy, but it was "impossible to buy" the appreciation of music. He believed that if more people enjoyed music, more people would support community efforts to make music resources, like symphony orchestras, available. Because he felt supporting such aesthetically enriching opportunities for a community was worthwhile, he established the Eastman School of Music and a concert hall within it.

The Eastman School of Music is located at the University of Rochester in Rochester, New York. Eastman established the school in 1921 for the purpose of providing, for those who wished to become musicians, a musical education in an environment most conducive to their attaining excellence and professionalism.

The school's first director was Norwegian pianist Alfred Klingenberg, who was succeeded in 1924 by American composer Howard Hanson. During Hanson's four decades as director, the school made great strides in its development to become a reputedly fine school. By 2008, it was listed in the Kaplan/*Newsweek* college guide as the "hottest school for music" in the United States. Other national rankings place it first in music education, composition, and piano performance; second in instrumental performance, conducting, jazz, and piano/organ/keyboard; and fourth in opera/vocal performance.

The school offers bachelor of music degrees in performance, music education, composition, musical arts, theory, and jazz and contemporary music; master of arts and master of music degrees in ethnomusicology, music theory, and pedagogy; and doctoral degrees in composition, music education, musicology, and theory. In 2009, it had more than ninety-five teachers and an enrollment of about five hundred undergraduates and four hundred graduate students. About 25 percent of these students were from foreign countries. The Eastman Community Music School had about one thousand students ranging in age from preschoolers to people in the eighties.

LEGACY

By developing and producing an easy-to-use camera and handy film, George Eastman enabled amateur photographers to capture their memories in realistic pictures. His innovative roll film also made possible the development of motion-picture entertainment. These inventions brought him great wealth, which he used for the betterment of his own and other communities.

Eastman said that people with wealth either could hold on to it to leave for others to deal with after they died, or could "get into action and have fun" while still alive, "adapting" their wealth to the "human needs" they saw around them. He said he chose to "get into the action."

Eastman gave away more than $100 million to educational institutions, medical facilities, and cultural organizations. He founded the Community Chest, later the United Way, to help support his city of Rochester. He pioneered the first profit-sharing program for employees in America. He promoted music appreciation with his support of the Eastman School of Music and the Rochester Symphony Orchestra. He endowed learning with his gifts to colleges and universities, and he promoted better health with the many dental clinics he helped establish. A modest and unassuming man, he nonetheless left a mark of distinction on the business world and many other aspects of American society.

—Jane L. Ball

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See also: Andrew Carnegie; Samuel Colt; Peter Cooper; Thomas Edison; Edwin Herbert Land; Samuel F. B. Morse; George Mortimer Pullman; John D. Rockefeller III; Isaac Merrit Singer.

Thomas Edison

American inventor and entrepreneur

Edison's wealth accumulated from investors' ongoing support, corporate stocks, and the sales of his inventions. Although often impoverished, he eventually gained personal fortune and prosperity through obsessive work habits that resulted in new advances in technology. His inventions revolutionized industry, communications, and business.

Born: February 11, 1847; Milan, Ohio
Died: October 18, 1931; West Orange, New Jersey
Also known as: Thomas Alva Edison; The Wizard of Menlo Park; The Napoleon of Invention
Sources of wealth: Patents; sale of products; investments
Bequeathal of wealth: Spouse; children; scholarship

Early Life

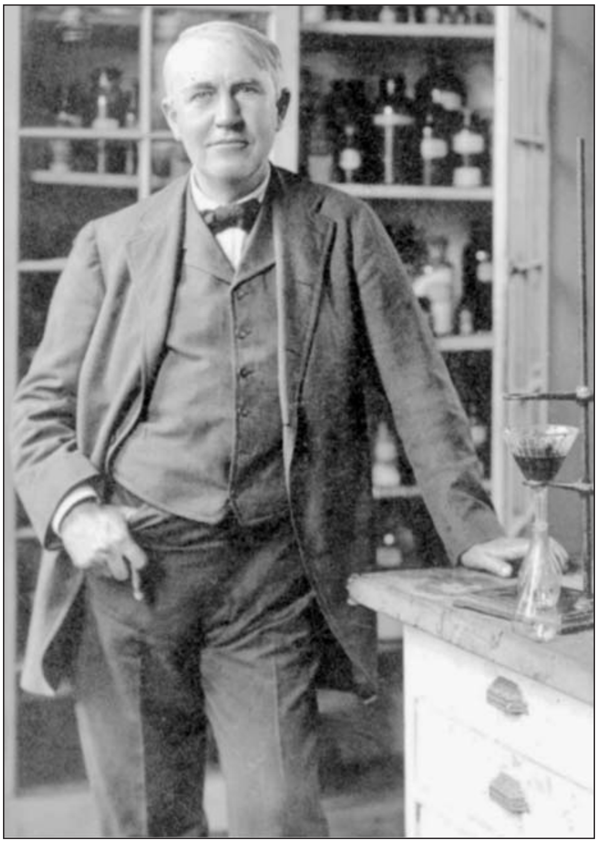
Thomas Alva Edison was the seventh and last child of Canadian emigrants Samuel and Nancy Edison. The family was forced to flee Canada and move to Ohio because Samuel supported a failed revolt against the Canadian government. Young Edison developed a keen interest in learning and discovery due to his parents' scholarly influence. Nancy, a teacher, home-schooled Edison and encouraged his use of the local library, where he was reputed to have read every book in the collection. Of early interest to him were Sir Isaac Newton's theories of physics. By age fourteen, he was already an entrepreneur, earning more than $10 a day selling snacks at a railroad station and publishing his own newspaper, *The Weekly Herald*.

In his early twenties, Edison was a freelance inventor while working for the Western Union Telegraph Company in Boston and New York. Ambitious and hardworking, he forged a path that would eventually bring him fame, notoriety, and fortune.

FIRST VENTURES

While employed with Western Union, Edison acquired his first patent, for a machine to automatically record the votes of legislative bodies. Financially, the machine was unsuccessful because politicians preferred the roll-call vote, which gave them an opportunity to state their opinions. Edison vowed never again to invent something that would not sell.

Destitute, Edison borrowed $35 to travel to New York. He repaired a malfunctioning stock ticker machine in an office and was hired there for $300 a month. After Edison sold his redesigned Edison Universal Stock Printer in 1874 for $40,000 (more than $800,000 in 2010), he constructed a laboratory in Newark, New Jersey, to manufacture the machines. In 1876, he moved to his new Edison Laboratory in Menlo Park, where he and five thousand employees would work on more than forty inventions. Edison became known as the Wizard of Menlo Park.



Thomas Edison in his laboratory. (Library of Congress)

MATURE WEALTH

Edison took risks, remained optimistic, and was persistent. For him, failure was not permanent but only represented a first unsuccessful attempt. His genius was valued enough at the time to attract willing contributors to fund his projects. In 1875, the Atlantic and Pacific Telegraph Company provided Edison with $13,500, and Western Union supplied another $5,000, so he could continue his work on automatic telegraphy. The gift funded his laboratory in Menlo Park, an enterprising venture requiring considerable backing.

In Menlo Park, Edison invented the carbon-resistance telephone transmitter (1876) and the phonograph (1877). Now regarded as an eminent inventor, he received $10,000 from five investors to establish the Edison Speaking Phonograph Company for further development of the phonograph. In 1879, Edison burned a carbonized sewing thread filament for more than thirteen hours and developed the Edison dynamo, which provided a constant electric current. Edison found wealth and fame with the success of the incandescent lamp when it became commercially viable. In 1878, one share of stock in his Edison Electric Light Company was worth $3,500. A staff physicist, who was hired at $12 a week, sold five shares in the company for $5,000 each.

In 1882, the first commercial central power station using incandescent lamps provided lighting for one square mile of New York City, initiating the electric age. Transportation and industrial markets began to rely heavily on the use of electricity, and night lighting evolved into a twenty-four-hour service. The newly formed Edison General Electric Company merged with other manufacturing companies. Although the company bore his name, Edison was just a partner. J. P. Morgan, members of the Vanderbilt family, and other investors provided the necessary capital. Edison received stock valued at $3.5 million. Eventually, Edison General merged with Thompson-Houston in 1892 and was renamed General Electric Company. General Electric supported Edison with an annual grant of $85,000, far less than the $250,000 he expected. Years later, he learned that his stake in the company was worth about $4 million.

In 1882 and 1883, Edison contracted for power stations in Brockton, Massachusetts, and Sunbury, Pennsylvania. He secured a patent for the "Edison effect," which effectively regulated the flow of electric current. This revolutionary discovery became the foundation for the manufacture of diodes, radios, televisions, and computer transistors.

In 1887, Edison constructed the first and largest research and development center in West Orange, New Jersey. His newest project was the kinetoscope, the predecessor to a motion-picture camera. The kinetoscope was a crude machine that enabled viewers to see magnified and backlit film moving past a small opening. As with the phonograph, Edison failed to realize the entertainment potential of the kinetoscope to the general public. However, his distributor formulated a successful publicity plan which required Edison to lend his name to the new Vitascope, an early film projector, but to otherwise remain in the background. The first film screening using a Vitascope was held in Los Angeles and attracted twenty thousand viewers, with another ten thousand who showed up but were not admitted. The new industry of film production was born.

The 1890's was a profitable time for Edison because he established a phonograph and phonograph recording business, capitalizing on the home entertainment market. Coin-in-the-slot phonographs occupied railway stations, arcades, and phonograph parlors throughout the United States; a San Francisco distributor of these products claimed $4,000 in revenue within six months. Edison's additional inventions included the fluoroscope (an X ray fluorescent screen) and concrete molds for precast buildings. From 1900 until 1910, Edison's primary and formidable challenge was the development of a storage battery that was suitable for electric vehicles. However, by the time work was completed on the alkaline battery, vehicles had switched to gasoline power. Developing the battery appeared to be a losing proposition, but Edison's patience paid off. Soon, railway cars, signals, ships, and even miners' lamps were using the alkaline battery. Edison's investment compounded, and the alkaline battery proved to be his most lucrative product. In 1911, Edison formed Thomas A. Edison, Inc., which controlled most of his enterprises, including phonographs, records, motion-picture equipment, and batteries.

By age sixty-four, Edison had ceased to work long hours and was entrusting associates to operate his business ventures. Emphasis was placed on improving existing products rather than inventing new ones. With World War I approaching, Edison was appointed to the Naval Consulting Board for scientific work with submarines and related naval operations. Friends Henry Ford and Harvey Firestone urged Edison to discover an alternate source for rubber automobile tires, but this final project was not completed. In his eighties, he spent more time in his Glenmont, New Jersey, home in declining health. He lingered near death for about two weeks with kidney failure before succumbing on October 18, 1931. Out of respect, President Herbert Hoover asked communities

The Edison Medal

In 1904, a trust fund was established in honor of Thomas Edison to award a gold medal each year to an individual with meritorious accomplishments in the fields of electrical science, electrical engineering, or electrical arts. Nomination criteria for this award include patents, leadership and contributions in an individual's field of endeavor, honors awarded, duration of dominance, and originality. Such prestigious recognition is a testament to Edison, who demonstrated these criteria throughout his lifetime.

Edison secured 1,368 patents between the ages of fourteen and eighty-four, about one patent every two weeks. His patents pertained to numerous inventions in the fields of communications, entertainment, medicine, and various industries. He gained and lost fortunes in some of his endeavors, but he had the unique ability to withstand severe monetary losses and recover quickly. He died a millionaire because he held to the principle of inventing something only if there was a need for it and people would buy it. Edison was cantankerous, disagreeable, and overly competitive. However, he was also an organizer, a visionary, meticulous to detail, and an excellent business promoter. To raise financial backing he made sure his inventions were featured on the front pages of newspapers and often arranged impressive demonstrations. Edison was adept at managing his fame. He capitalized on his reputation as the world's greatest inventor, which rewarded him financially.

The Edison Medal reflects contributions to society by distinguished and notable individuals. The first award, consisting of a gold medal, a small gold replica, a certificate, and an honorarium, was presented in 1909 by the Institute of Electrical and Electronics Engineers (IEEE). Among past honorees are George Westinghouse, Alexander Graham Bell, and Nikola Tesla. Other awards have been presented for research in microwave and radar remote sensing technology, programmable read-only memory, and broadband optical fiber communications. The medal serves as a symbol for men and women who have turned ideas into reality for the benefit of humankind.

across the country to extinguish all electric lights at ten o'clock in the evening, eastern time, on the day of Edison's funeral.

Legacy

For Edison, money had value only if it was used to benefit others. Since Edison was not independently wealthy, he relied on associates to support his endeavors. Accordingly, his financial situation ranged from bankruptcy to prosperity depending on the success of his business ventures related to the design and marketing of his inventions. His partnerships with others, however, allowed him to continue his work toward new discoveries and to achieve recognition as "the Napoleon of invention."

Edison's wealth provided the creation of the world's first industrial research laboratory that encouraged staff teamwork and strengthened mass production at unprecedented levels. He invented better communication devices, introduced home entertainment through phonographs and motion-picture cameras, and improved countless industrial commodities.

—*Douglas D. Skinner*

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See also: Samuel Colt; Peter Cooper; George Eastman; Harvey Firestone; Henry Ford; Samuel Insull; Edwin Herbert Land; J. P. Morgan; Samuel F. B. Morse; Isaac Merrit Singer; Cornelius Vanderbilt; George Westinghouse.

Eleanor of Aquitaine

French royalty and landowner

Eleanor's wealth was based on the vast properties she owned in France. She received income from Aquitaine and Poitou as well as from other properties owned while she was queen of France and later of England.

Born: c. 1122; Bordeaux or castle of Belin, southern France
Died: April 1, 1204; the Abbey of Fontevrault, Anjou, France
Also known as: Eleanor of Guyenne
Sources of wealth: Inheritance; marriage; real estate
Bequeathal of wealth: Children; church

Early Life

Eleanor of Aquitaine (EL-eh-nor uhv AK-wuh-tayn) was one of three children born to William X of Poitier, and Aquitaine and Aenor of Chatellerault. She was named after her mother, who died when Eleanor was eight; Eleanor's name "alia-Aenor" means "the other Aenor." There is some disagreement among scholars as to when and where Eleanor was born. She was the older daughter, and when her brother died, under the laws of the land, Eleanor became heir to her family's estate. There is no argument as to the wealth she inherited. The county of Poitou and the duchy of Aquitaine covered a vast area of what is now southwest France. Aquitaine, whose name means "land of waters" in Latin, is so named because of the number of rivers there. Its temperate climate promoted agriculture, and the domain was fertile, producing grain, fruit, and wine. The export trade in wine and salt contributed to the wealth of the duchy.

Growing up, Eleanor became used to luxuries and was fascinated by the troubadour culture adopted in aristocratic circles. Her grandfather William IX wrote what is considered the first troubadour poetry, celebrating love and the beauty of women. The court of the dukes' of Aquitaine was frequented by poets and musicians and was the center of western European culture. Unlike other noblewomen, Eleanor was taught to read and write in her native tongue, *langue d'oc*, the language of southern France, and given instruction in Latin. When her father died in 1137, she became countess of Poitou and duchess of Aquitaine; she was barely fifteen and the richest heiress in Europe. Before her father died, he had appointed the French king, Louis VI, also known as Louis the Fat, as her guardian. To avoid other suitors, Louis, whose territory was much smaller than Eleanor's, promptly betrothed her to his son.

Eleanor of Aquitaine. (The Granger Collection, New York)

First Ventures

Eleanor's father had died on Good Friday, April 9, during an Easter pilgrimage, and King Louis, who was not well, pushed for a quick marriage. His son Louis had been destined for the Church, but he became heir to the French crown when his older brother died. Young Louis was sixteen, and he and Eleanor married on July 25, 1137, in the cathedral of Saint André in Bordeaux. As a well-bred young woman, Eleanor had no choice in her bridegroom. Before the summer's end, Louis VI had died. Eleanor's husband, now Louis VII, ascended to the throne and Eleanor became queen of France. She relocated to Paris and exerted her influence, bringing music and verse from the south into the court. She learned Parisian French and showed a capacity for Aristotelian logic, highly popular with the university students of Paris. She failed at her principal occupation—to provide an heir. However, in 1145 she gave birth to a daughter, Marie.

When Pope Eugenius III asked the king to go on a Crusade to the Holy Land, the king readily assented, and Eleanor insisted on participating. They left France in June, 1147. Eleanor was enchanted with the bright clothes and the exotic nature of Byzantine culture in Constantinople, and at Antioch the king and queen were hosted by Eleanor's uncle Raymond. Again speaking the language of her childhood and surrounded by luxury, Eleanor refused to leave for Jerusalem and had to be dragged from her uncle's palace. This event was the climax to a failing marriage. There was a brief reconciliation, and in 1150 Eleanor gave birth to a second daughter, but the marriage was over. Her failure to provide a male heir and Eleanor's efforts to secure an annulment due to consanguinity within the fourth degree of kinship resulted in an annulment on March 21, 1152. Her lands were returned to her.

Mature Wealth

On May 18, 1152, less than two months after her divorce, Eleanor married her second husband, and this time the bridegroom was her chosen mate. She married Henry Plantagenet, duke of Normandy and count of Anjou. Although both Henry and Eleanor were technically vassals of the king of France and should have sought his permission to marry, they did not, realizing that the king would have forbidden their union. As the result of their marriage, Eleanor was now the duchess of Aquitaine and Normandy and the countess of Poitou and Anjou; Henry acquired by marriage almost half of what is now France. Although Henry was eleven years younger than Eleanor, the marriage suited both.

In 1154, with the death of King Stephen, Henry became King Henry II of England, and Eleanor was again a queen. Her list of titles was impressive: queen of England; lady of Ireland; duchess of Normandy, Aquitaine, and Gascogne; and countess of Poitou, Saintonge, Angoumois, Limousin, Auvergen, Bordeaux, Agen, Anjou, Maine, and Touraine. Henry also endowed her with numerous manors, consequently increasing her already substantial wealth. As queen, Eleanor was actively involved in political life and traveled extensively in England and France. She acted as regent in England when Henry was abroad and continued to act as feudal lord in Poitou and Aquitaine. She also provided Henry with heirs. They had eight children—five sons and three daughters.

As her children grew, Eleanor's marriage to Henry weakened. In 1168, when Henry returned full control of Aquitaine to Eleanor, she relocated to Poitiers and established a court where she had grown up. Her court extended beyond governing into a center of culture and the arts. Enabled by her wealth, Eleanor served as a patron of the arts. Poets gathered, and the concept of courtly love flourished, as did conspiracy.

When Henry divided his continental possessions among his sons, providing them with titles but not true power, trouble began. In 1173, Eleanor, aided by her former husband King Louis VII, stood behind her sons when they rebelled against Henry. Henry defeated his challengers, pardoned his sons, and removed Eleanor from France. He considered divorcing her, but he chose not to because he did not want to lose her lands in Aquitaine and Poitou. Henry tried to make Eleanor become a nun; she refused. Consequently, Eleanor was virtually held prisoner in Salisbury Castle for fifteen years. For a woman whose wealth enabled her to travel freely, who was accustomed to having political power, and who was used to the luxuries of fine clothes, foods, and wines and of interesting and stimulating visitors, the period of imprisonment was difficult. Her financial resources were cut off, and her lifestyle was described as "Spartan."

When Henry II died, the heir to the English throne, Richard I, immediately freed his mother. Eleanor again became regent of England when Richard went on a Crusade, and it was Eleanor who worked to raise the ransom of 100,000 marks of silver when Richard was imprisoned. When Richard was returned, she retired to the abbey at Fontevrault but continued to be involved in ruling her lands. After Richard died, Eleanor again became politically active, working to have her last son John accepted and crowned king of England. King John rewarded her support by proclaiming she was to retain Poitou and Aquitaine for the rest of her life and be "lady" over all his possessions. Over

The Palace of Justice in Poitiers

The Palais du Justice, or Palace of Justice, was originally the ducal palace for the dukes of Aquitaine. Located in Poitiers, the capital of Poitou, France, it was the second palace on the site. The first palace was built during the ninth century at the highest spot in town, above a Roman wall. During Merovingian times, the structure served as the seat of justice. After the first palace was completely destroyed by a fire in 1018, a new palace was built by the dukes of Aquitaine. In 1104, William IX, Duke of Aquitaine, added a tower on the town side, known as *tour Maubergeonne*. It was named for his mistress Amauberge ("the dangerous"), whom he installed there. Amauberge was the grandmother of Eleanor of Aquitaine, and Eleanor spent her childhood in the palace.

Between 1191 and 1204, Eleanor refurbished the structure, creating sumptuous domestic spaces and constructing a dining hall, the *Salle des pas perdus*. This "hall of lost footsteps," so named because of its vastness, measured fifty meters in length and seventeen meters in width. Eleanor created a proper setting for a queen. The palace was full of music, poetry, chivalric behavior, and expensively dressed aristocrats who drank fine wines and ate exquisite food.

The palace was also where Eleanor, with her daughter Marie, countess of Champagne, presided over the Courts of Love. A young knight would petition the court, which consisted of Eleanor, Marie, and other high-born women, about an aspect of his behavior toward his lady, and the court of women would decide his fate. The second book of Andreas Capellanus's *Liber de arte honeste amandi et reprbatione inhonesti amantis* (1184-1186; book of the art of loving nobly and the reprobation of dishonorable love) was based on one of Eleanor's rulings.

Over the years there were changes to the palace. Eleanor's great hall was remodeled; the original beamed ceiling was covered, and the walls were painted. Jean, duc de Berry (1340-1416), rebuilt part of the palace that had been destroyed by a fire. Over the years, various reconstruction projects were carried out, and Eleanor's court of love eventually became a court of law.

the years, Eleanor had provided financial support to the abbey at Fontevrault. It was here that her husband Henry and son Richard were buried. Eleanor spent her last days at the abbey. There is some speculation that she took the veil and became a nun, but this has never been substantiated. Eleanor died in April, 1204, and was buried beside Henry.

Legacy

Eleanor of Aquitaine's lands were inherited by her sole surviving son, John. They would eventually be lost, as was the rest of the Angevin Empire to France in a war that would last one hundred years. Eleanor left a legacy in her contribution to and fostering of the literature of the times, specifically her involvement in the Courts of Love. Her principal legacy was her sons and daughters and their offspring, who reigned on the thrones of Europe

—*Marcia B. Dinneen*

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See also: Aaron of Lincoln; Godric of Finchale.

Elizabeth II

British monarch

The wealth of Queen Elizabeth II of Great Britain, the best-known monarch of the twenty-first century, has been estimated at $420 million, although the extent of her fortune has never been publicly documented.

Born: April 21, 1926; London, England
Also known as: Elizabeth Alexandra Mary (birth name); Princess Elizabeth; Lilibet; Elizabeth Windsor; Elizabeth Alexandra Mary Mountbatten-Windsor
Sources of wealth: Inheritance; real estate; government
Bequeathal of wealth: Unknown

Early Life

Elizabeth II was born into the royal British Windsor family in 1926. Her father, the duke of York, was second in line to the British throne. However, the abdication of King Edward VIII propelled the duke into the monarchy as King George VI in 1936. From 1940 until 1945, Elizabeth lived at Windsor Castle, and she served a stint in the army during World War II. The British royal family lived modestly in a time of great deprivation, both during and after the war.

Shortly after the war, Elizabeth was reunited with and subsequently married a distant cousin, Philip Mountbatten, who was then living off his navy pay. He was named the duke of Edinburgh and allocated an annual allowance from the civil list, the funds that the government of Great Britain provides for numerous members of the royal family. Elizabeth and Philip married in November, 1947, and they moved into a small palace in London. The young couple soon had two children, Charles and Anne. In February, 1952, George VI died, and Elizabeth ascended the throne with Prince Philip as her consort.

First Ventures

On her accession, Queen Elizabeth II received two different forms of wealth. The first was in the form of possessions that were attached to the monarchy, and this wealth was placed in a trust. Elizabeth could not dispose of these possessions, which consisted of a number of the

Elizabeth II at the opening session of Parliament in 2010. (AP/Wide World Photos)

royal palaces, other real estate, treasure, and collections of art and jewelry, including the crown jewels, kept at the Tower of London. The best known of the palaces are Buckingham Palace, Windsor Castle, and Holyrood House in Edinburgh, Scotland.

The second form of wealth, inherited from her father, was private and at her own disposal. This inheritance included several buildings, notably Balmoral Castle and its estates in Scotland and Sandringham House and estate in Norfolk, England. She also was bequeathed artworks and various treasures. In addition, Elizabeth obtained a large annual sum from the civil list in order to supplement the income derived from the duchy of Lancaster, her hereditary property.

Mature Wealth

Over time, both sources of Elizabeth's wealth grew through a natural increase in value and the many gifts the queen received regularly. The queen was also given the best financial advice concerning investments, which were limited primarily to blue chip bonds and stocks, and the value of these investments has increased considerably during the many years of her reign. She has been renowned as a careful money manager, with her one indulgence being the development of her stables. She has hired the best horse trainers, and her horses have always performed well.

After a serious fire at Windsor Castle spurred a national debate about who should bear the costs of restoration, the queen agreed to pay income tax beginning in 1992. At the same time, she began assuming some of the payments to her children that had been included in the civil list, with the exception of funds for her son Charles, Prince of Wales, and for some of the minor royalty.

The queen's finances are kept secret, so the amount of even her private wealth remains a subject of conjecture. In 2001, *Forbes* magazine judged her private wealth to be about $420 million, which was much lower than most previous estimates. This figure consisted of her private property, valued at $150 million; her art, jewelry, furniture, and horses, with a value of about $110 million; and the remainder obtained through investments.

Legacy

Queen Elizabeth II has been able to move the British monarchy into the twenty-first century as a significant and honored institution. Part of this respect derives from the conservative display of her wealth, which she exhibits just enough to maintain her dignity as head of state, while refraining from the public extravagance that would invite criticism. The secrecy of her finances and lack of accountability for her wealth have invited ongoing criticism, but every indication is that her fortune is well managed.

—David Barratt

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See also: David and Frederick Barclay; Sultan Hassanal Bolkiah; Deborah Cavendish; Gerald Grosvenor; Anita Roddick; J. K. Rowling; David Sainsbury; Wilhelmina.

John Ellerman

British shipping magnate, businessman, and investor

Ellerman quietly forged a vast corporate empire from his careful acquisitions of a variety of ailing enterprises, notably shipbuilding firms and newspapers, and in the process accumulated the largest personal fortune in British business history.

Born: May 15, 1862; Hull, Yorkshire, England
Died: July 16, 1933; London, England
Also known as: Sir John Reeves Ellerman, first baronet
Sources of wealth: Shipping; real estate; investments
Bequeathal of wealth: Spouse; children

Early Life

Although he would become by most records the wealthiest British citizen in history, Sir John Reeves Ellerman, first baronet, unlike other Victorian magnates who thrived as celebrities, was fiercely protective of his private life. Thus, little is known of his early years. He was born in the village of Kingston upon Hull in northeast England. His father, a first-generation German immigrant who worked as a corn merchant with modest interests in commodities shipping, provided a quiet middle-class upbringing. His father died when Ellerman was nine. Ellerman attended but did not graduate from King Edward VI School, a prestigious preparatory school in the heart of Birmingham. As an adolescent, he resisted what he perceived as the arbitrary authority of teachers and maintained a close relationship with his mother. These difficulties stemmed from his embrace of nonconformity, his determination to go his own way.

First Ventures

Ellerman began to live on his own when he was fourteen. He moved to Birmingham and was licensed as a chartered accountant, which was unusual in an era when such work was frequently performed by bankers and secretaries. He relocated to London, where, by the age of twenty-four, he was directing his own accounting firm. He worked diligently to establish his company's reputation as one of London's most trusted accountancy firms. Most important, his work gave him access to financial records of distressed companies. With a savvy business acumen, Ellerman arranged to purchase the most promising of these floundering firms, drawing for the most part on his own capital but networking throughout London's most affluent circles for investors. He then restructured the firms' operations to give them, as well as himself, new opportunities for profit.

In 1892, upon the death of millionaire Liverpool shipbuilder Frederick Richards Leyland, Ellerman made his boldest move. As the head of a consortium of investors, he purchased the massive Leyland Line, with its fleet of twenty-two cargo and passenger ships. At the time, Ellerman had little background in shipping, but the opportunity presented by this company, which was experiencing a power vacuum after Leyland's death, was promising. Over the next decade, Ellerman became engaged in the management of the shipping line and he doubled the size of its fleet. Ellerman's shipping operations supplied critical naval carriers for ammunition and troops that helped ensure a British victory in the Second Boer War (1899-1902).

Mature Wealth

In 1901, American financier J. P. Morgan purchased the Leyland Line from Ellerman, although Ellerman continued directing operations and maintained direct ownership of half of the ships. Ellerman recognized the financial potential in shipping, which was the most efficient way to move goods, and during a time of relative peace the potential for international trading was clear. He used his considerable assets to purchase small shipping lines, forming the London, Liverpool and Ocean Shipping Company. Ellerman acquired smaller shipping lines until he eventually changed the name of his company to Ellerman Lines in 1903; the shipping firm would continue to expand. Ellerman became known for his relentless appetite for acquisition, notably his purchase in 1916 of more than sixty ships belonging to Thomas Wilson Sons, at the time among the largest private shipping firms in the British Empire.

Eventually, Ellerman branched out into other business ventures. At the height of his financial operations just before World War I, he controlled more than seventy breweries and twenty mines, and he had controlling interest in a number of major newspapers, notably *The Times*, *Daily Mail*, and the *Financial Times*. In addition, he bought up numerous lots of prime real estate in the heart of London with an eye toward development. His wealth was estimated at close to £70 million, or roughly $300 million, and as his fortune accumulated, he wielded an increasing influence in worldwide trade.

The John Ellerman Foundation

The son of Sir John Reeves Ellerman, first Baronet, did not share his father's considerable business acumen, nor was he interested in the operations of his father's vast financial empire. Although Sir John Reeves Ellerman, second Baronet, passed the bar exam, the junior Ellerman was far more interested in zoology than in law. He pursued this interest, and by the time of his father's death in 1933, he had become a world-recognized authority on small rodents. Ellerman conducted his research on rodents in places as far away as South Africa and Asia. He was equally devoted to the arts, particularly music, the theater, and light opera.

Upon inheriting the majority of his father's estate, however, Ellerman assumed the responsibility for its management by turning a significant portion of it over to charitable institutions that assisted a wide range of causes, including veterans' homes, hospitals for the blind, educational institutions in London's poorest neighborhoods, and commissions that funded promising artists. By the mid-1950's, when his own poor health compelled him into a kind of semiretirement in the balmy climate of South Africa, the junior Ellerman had become known as one of London's foremost philanthropists.

In 1973, shortly before his death, Ellerman restructured his majority interest in Ellerman Lines, taking 79 percent of his shares and establishing two trusts chartered to make grant money available for any registered charity in the United Kingdom. Like his father, Ellerman was uninterested in publicity, and he strongly vetoed the idea of naming the trusts after his family, instructing the trust funds to be known as the Moorgate Fund and the New Moorgate Fund.

During the next two decades, these funds would become among the most sought-after grant providers in the United Kingdom, providing sums ranging from £10,000 to £100,000 in areas that included, but were not limited to, health and disability charities, social welfare bureaus, arts councils, and conservation and environmental enterprises. Unlike other large foundations, the Moorgate funds welcomed unsolicited applications from any service or charitable organization. Despite the enormous financial resources of the funds and their ambitious mission, they required only that an applying charity strive to make a real difference in its community, with special interest in those enterprises that sought practical ways to help the poor and disadvantaged.

In 1992, the two funds merged to become the John Ellerman Foundation, named for both father and son. Although the Ellerman Lines, which were the source of the family's fortune, had declined as the global market moved away from shipping in the 1970's and 1980's, the foundation itself remained financially healthy into the twenty-first century. By 2009, the foundation had distributed, on average, more than £5 million a year to between 160 and 200 separate charities.

Ellerman never pursued celebrity, nor did he seek to promote himself, his family, or his operations for public acknowledgment. When he was made a baronet in 1905 in recognition of his contributions to the Boer War effort, he actually turned down a far more prestigious peerage. He never lived in an ostentatious estate, never hosted sumptuous gatherings, never traveled, and never used his wealth to accumulate possessions or indulge expensive tastes. He and his family lived a simple, private life in Mayfair, an exclusive area in west London. His guarded sense of privacy had much to do with protecting his family from public scrutiny. He maintained what in the Victorian era was an unconventional relationship by living for nearly two decades with Hannah Glover, whom he had not married and with whom he had a daughter, born in 1894, and a son, born in 1910. In an effort to make clear the line of inheritance to his son, Ellerman in 1911 established his relationship with Glover as legal by taking advantage of an obscure Scottish law, applicable throughout the United Kingdom, that said a man and woman living together for twenty-one days were married.

Ellerman maintained hands-on direction of his expanding empire, although he moved its headquarters from London to Liverpool and later opened an operations office in Glasgow, Scotland. By the outbreak of World War I, Ellerman Lines controlled critical trading routes throughout the Mediterranean Sea, as well as important new lines to the American markets and to Asia and Africa. During World War I, Ellerman again provided naval support for the British government, with his fleets of more than one hundred ships assisting the Royal Navy by providing troop ships and ammunition carriers. His own trading enterprises declined, compromised by the security risks of wartime.

However, after the war, Ellerman, although nearing sixty, committed himself to rebuilding the Ellerman Lines. He negotiated with the defeated German government to purchase its decommissioned ships, and within five years of the 1918 armistice Ellerman was again in command of one of the most successful shipping conglomerates in the world. In 1921, Ellerman was named to the Order of the Companions of Honour, an exclusive recognition bestowed by the monarchy in order to commend civilian contributions to the welfare of the British Empire.

Although the global economic catastrophe of the 1930's took its toll on his empire, when Ellerman died in 1933 he was regarded as the wealthiest individual in British history, with the exception of the nation's monarch. Yet few people in Great Britain knew him, and the newspapers, even those he owned, scrambled to find a photograph to accompany his obituary. Ellerman's estate was assessed at a £38 million, or roughly $140 million, excluding his considerable liquid assets, and was more than three times the size of what had previously been the nation's largest estate. Although he provided for both his wife and his daughter, who was by then an accomplished novelist, two-thirds of his estate was left to his son.

Legacy

Despite his considerable wealth, John Ellerman sought neither power nor recognition. With the confident, careful logic of a trained accountant, Ellerman constructed a business empire, an example of the methodical accumulation of wealth based not on daring but rather on study and professional care. During five decades, Ellerman came to define a new kind of entrepreneurship. He embodied two characteristics that would later be considered antithetical: He was both a corporate raider and a white knight. Opportunistic and with an insatiable appetite for acquiring floundering businesses, Ellerman would pounce on promising companies that were either too small or too deeply in crisis to resist him, and he would then, with managerial savvy and a knack for efficiency, make these firms profitable, while using these profits to finance newer, wider acquisitions.

—*Joseph Dewey*

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See also: David and Frederick Barclay; Captain Robert Dollar; James J. Hill; Stavros Niarchos; Aristotle Onassis.

LARRY ELLISON

American computer magnate

Ellison's brilliance and aggressiveness created Oracle Corporation, one of the most successful and powerful technology companies, and made him a multibillionaire. Known as a brutally tough businessman, he also has contributed to numerous charities and founded the Ellison Medical Foundation.

Born: August 17, 1944; Bronx, New York
Also known as: Lawrence Joseph Ellison
Sources of wealth: Computer industry; sale of products
Bequeathal of wealth: Children; charity; medical institution

EARLY LIFE

Lawrence Ellison was born in the Bronx borough of New York City on August 17, 1944, to a nineteen-year-old single mother named Florence and an unknown father. Young Larry contracted a severe case of pneumonia, prompting Florence to send the nine-month-old child to live with her aunt and uncle, Lillian Spillman Ellison and Louis Ellison, in Chicago. The Ellisons, Russian-Jewish immigrants, welcomed Larry into their family and adopted him. Louis was very demanding of Larry, and when Larry learned that the Ellisons had adopted him, he became more independent and tough-minded.

Ellison excelled at math and science, aspiring to be a doctor. He attended the University of Illinois at Urbana-Champaign for two years, quitting when his adoptive mother succumbed to cancer. He later attended the University of Chicago for a semester but never graduated.

FIRST VENTURES

Ellison moved to California's Silicon Valley in 1966, and during the next eight years he worked at various technol-

Larry Ellison delivers the keynote address at the Oracle Open World Conference. (AP/Wide World Photos)

The Ellison Medical Foundation

Billionaire Larry Ellison, a founder and the chief executive officer of the Oracle Corporation, founded the Ellison Medical Foundation in 1998, teaming up with his friend scientist Joshua Lederberg to fund research in the biological processes of aging. These studies include examining illnesses like Parkinson's disease, Alzheimer's disease, and cancer. Ellison is the sole financier of the foundation, having contributed hundreds of millions of dollars to the organization.

Ellison, a science and health buff, was attending a weekend seminar on the Human Genome Project at Stanford University in 1992 and was mesmerized by Lederberg's eloquence and intelligence. Lederberg, the former president of Rockefeller University in New York City, was a cowinner of the Nobel Prize in Physiology or Medicine in 1958. The scientist won over Ellison immediately, and Ellision invited Lederberg to lunch, thus beginning a friendship based on each man's deep love of science and desire to learn more.

Ellison accumulated massive wealth throughout the 1990's but had no set philanthropic goals. He decided, with Lederberg's help and vision, to fund a medical foundation to support top scientists in their research without the documentation and effort needed to obtain government grants. Ellison, who lost his adoptive mother to cancer and has a brother-in-law with Parkinson's disease, has always been consumed with maintaining a healthy lifestyle. For this reason, he established the Ellison Medical Foundation to conduct research in the basic biological sciences relevant to understanding the human life span and age-related diseases and disabilities.

The Ellison Medical Foundation partnered with the American Federation for Aging Research (AFAR), creating the Ellison/AFAR Postdoctoral Fellows in Aging Research Program. The program is designed to encourage and further the careers of promising postdoctoral fellows in the biological and biomedical sciences and to establish these fellows in the field of aging research.

During the 2003 America's Cup race, Ellison was asked to explain the differences between his passions for business, sailing, and the progress made by his foundation. Ellison said that molecular biology held more appeal than racing sailboats because the biology "race" and the people in it were more interesting and the prize was larger.

Lederberg died in 2008 at age eighty-two. He was awarded the Presidential Medal of Freedom, the highest civilian award in the United States, in 1996. The Ellison Medical Foundation continues to pursue the mission that Lederberg envisioned.

ogy jobs. While working at Ampex, a small technology firm, Ellison teamed with Robert Miner and Edward Oates to write a database program for the Central Intelligence Agency (CIA). The three partners named the program Oracle.

Ellison left Ampex for Precision Instruments (later named Omex), which, like Ampex, was in the business of converting microfilm to videotape. Omex was looking for contractors to program their mass storage system, so Ellison, then vice president of the company, formed Software Development Laboratories in 1977 with his friends Miner and Oates. They won the $400,000 contract at a third of the price of the next lowest bid; Ellison put up just $2,000 to fund the business.

Ellison hoped to build and market his own product and was inspired by a series of International Business Machines (IBM) white papers that detailed System R, the prototype database that IBM was building. System R was a relational database management system, and the white papers outlined the specifications and structured query language needed to organize and access the system's data. Ellison scrapped his database model and used the IBM white papers as the blueprint for his new and improved Oracle database.

Software Development Laboratories changed its name to Relational Software, Inc. (RSI), in 1979. Ellison owned 60 percent of RSI, with Miner and Oates each owning 20 percent. Ellison traveled relentlessly in the following years, successfully marketing his company and its Oracle database. He became a millionaire, acquiring cars and boats. RSI was later renamed the Oracle Corporation after the firm's flagship program.

Mature Wealth

Oracle beat IBM to the market for relational database management systems by more than two years, creating a product that could be used across a broad range of computer hardware and software systems. Oracle became profitable by 1982 with $2.5 million in earnings, and it then doubled its profit in 1983 when it expanded to Denmark.

As the use of computers increased in the early to mid-1980's, businesses scrambled to manage data, and Oracle fought and outsold its competitors. Company revenues in 1985 climbed to $23 million, and the following year sales doubled to $55.4 million, with Ellison's stake in the company now worth $90 million. Oracle went public in 1986, one day before another technology firm, Microsoft Corporation, also became a public company. While Microsoft became a hit with its Windows software, which was sold primarily to individuals, Oracle sold its products to companies and governments. The stage was set for a competition between the two companies and their two soon-to-be-billionaire founders: Microsoft's Bill Gates and Oracle's Ellison.

Oracle ended the 1980's as the top company name in database management systems, attaining the largest number of end users in the world, top-level customers, and a reputation as a technology innovator. Oracle became a member of Standard & Poor's 500 and was one of the largest and most powerful software companies in the world. Ellison accumulated hundreds of millions of dollars during the 1980's.

Oracle's unstoppable growth was halted in early 1990, however, when its aggressive expansion plans revealed flat earnings because of an accounting error, and the value of the company's stock dropped precipitously. Problems were exacerbated in April, 1990, when a dozen shareholders brought suit against the company for allegedly making false and misleading earnings forecasts. The lawsuit led to an internal audit and management restructuring, with Ellison taking on the additional role of chairman of the board, along with his positions as president and chief executive officer. The once-praised company and its founder were criticized when Oracle reported its first quarterly loss in mid-1990, and the company scrambled to avert a possible bankruptcy. Ellison came under fire for his company's combative sales and marketing practices and his lavish lifestyle. Oracle's stock lost more than $2.7 billion in market value in six months and, consequently, Ellison's net worth, mostly tied to his company's stock, took a big hit.

Oracle acknowledged that it had grown too rapidly, restated 1990 earnings, and shed more than 10 percent of its employees. During 1991, the company regrouped and rebuilt, attaining sales of $1 billion. Oracle added $1 billion to its revenues annually from 1992 to 1998, and Ellison, now a multibillionaire, continued to burnish his playboy image by buying exotic cars, yachts, and private jets, including two fighter jets. He also spent ten years building an estimated $200 million, twenty-three-acre estate in Woodside, California, designed in a style based on Japanese medieval architecture.

Ellison has always been a calculated risk taker in business and in his personal life, with several children from several marriages. His thirst for adventure has led him all over the world, where he has flown, sailed, explored, climbed mountains, and lived a life few others could rival. He is a licensed instrument-rated pilot and an accomplished sailor. He had a life-changing experience during the harrowing Sydney to Hobart Yacht Race in 1998, when a strong storm ravaged the racing fleet, costing six sailors their lives. His yacht, the eighty-foot *Sayonara*, and his crew were relatively unscathed in the storm, and he won the race. However, Ellison swore he would no longer compete in sailing competitions. Still, he remained involved in the sport, becoming the second largest investor in BMW Oracle Racing, a team that is a perennial challenger in the America's Cup race. Ellison's love of the ocean extends beyond sailing to high-end yachting. He and entertainment executive David Geffen co-own one of the largest private yachts in the world, the *Rising Sun*, a 452-foot superyacht launched in 2004.

Legacy

Larry Ellison is a pioneer in the software industry. He has had a tremendous impact on global business information management, and he has also created a personal fortune rivaled by few others. His inventions and business practices will be studied for generations, and his tens of billions of dollars and eccentric lifestyle will probably be criticized equally long. At one point in 2000, Ellison was the richest person in the world, briefly surpassing rival Bill Gates, when Ellison's net worth reportedly exceeded $60 billion.

—*Jonathan E. Dinneen*

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Sergey Brin; Mark Cuban; Michael Dell; Bill Gates; David Geffen; Steve Jobs; Gordon E. Moore; David Packard; H. Ross Perot.

Charles Engelhard, Jr.

American industrialist and racehorse owner

Engelhard built the largest precious metals refining company in the world, with major operations in the United States and South Africa. He and his wife Jane lived lavishly on several estates, racing an army of thoroughbred horses and making donations to the American Wing of the Metropolitan Museum of Art.

Born: February 15, 1917; New Jersey
Died: March 2, 1971; Boca Grande, Florida
Also known as: Charles William Engelhard, Jr.; The Platinum King
Sources of wealth: Metals refining; horse breeding
Bequeathal of wealth: Spouse; children; charity

Early Life

Charles William Engelhard (EHN-gehl-hahrd), Jr., was born to wealth, which he greatly increased. His father, Charles Engelhard, established the Hanovia Chemical and Manufacturing firm in 1902, which processed gold and other precious metals, such as platinum and silver. Charles, Sr., and his wife lived in a mountain estate they called Craigmore, located in New Jersey. In 1940, they established the Charles Engelhard Foundation for charity. Charles, Jr., was their only child. Charles, Jr., was raised in a strict atmosphere that prepared him to inherit his father's business. He graduated from Princeton University. In World War II, he was a bomber pilot with the U.S. Air Force. After the war, he went to work in his father's firm. In 1947, he married a widow, Jane Reiss, who also came from a wealthy family. She was born Marie Annette Jane Reiss in 1917 in Shanghai, the daughter of Hugo Reiss, who ran a successful worldwide import-export company. In June, 1939, Jane married Fritz Mannheimer, the leading banker in Europe, who had built an art collection worth tens of millions of dollars. Several months after the wedding, Mannheimer died in mysterious circumstances. During their marriage, Charles and Jane raised five daughters: Annette, from Jane's first marriage to Mannheimer, and the couple's own children, Susan, Sophie, Sally, and Charlene. In 1949, the couple bought a 172-acre estate in New Jersey, called Cragwood.

By the time of his death in 1950, Charles Engelhard, Sr., had expanded his firm to become the world's largest refiner and fabricator of gold, silver, and platinum, as well as the world's largest precious metals smelter. He left his $20 million estate to Charles, Jr.

First Ventures

Charles, Jr., expanded the family business many times during the following decades. He raised revenue through his astute use of technology, applying important innovations to the precious metals refining industry. In 1948, Engelhard opened a branch in South Africa in order to sell art objects and jewelry made of gold. During the next thirteen years, Engelhard became an industrial giant in South Africa. His success in refining and selling platinum earned him the nickname the "Platinum King." His gold, silver, and platinum bars became world-famous and were a widely accepted form of precious metals currency. In South Africa, he also traded uranium, diamonds, and timberland.

In 1958, Engelhard amalgamated his holdings into Engelhard Industries, which had $200 million in annual sales. In addition to metals refining, Engelhard Industries sold ceramic products, jewelry, pharmaceuticals, medical and dental equipment, automotive and aircraft parts, and equipment for the nuclear, petroleum, and plastics industries. In 1959, Engelhard's precious metals operations alone netted $3.7 million, and his net worth was estimated at $100 million. In 1961, he began selling shares of his company to the public, retaining a 43 percent ownership; the company's revenues that year were $1.43 billion. Within a few years, revenues had climbed to $10 billion. Engelhard Industries conducted business in fifty countries. It is widely believed that author Ian Fleming based the villainous character of Auric Goldfinger in his James Bond novel *Goldfinger* (1959) on Charles Engelhard, Jr. As one of the largest foreign operators in South Africa, Engelhard came under criticism because of that nation's policy of apartheid. He sold his South African operations shortly before his death in 1971.

Mature Wealth

Charles and Jane Engelhard employed their wealth ambitiously and strategically. They were large-scale contributors to the Democratic Party and friends with Lyndon B. Johnson, the party leader who later became president and for whom the Engelhards often hosted gatherings at their estate. Charles entered politics in 1955 when he ran for the New Jersey State senate. He was narrowly defeated by another multimillionaire, editor Malcolm Forbes. In 1961, Jane was appointed to the White House Redecoration Committee.

The Engelhards lived amid luxurious surroundings. Charles and Jane owned homes in New Jersey, Quebec, Florida, Maine, Paris, and Johannesburg, South Africa.

Wealth and Gold

Nothing symbolizes wealth as much as gold. From the beginning of civilization, gold has been desired, hoarded, fought over, shaped into exquisite jewelry and decorations, and, most important, considered the ultimate currency and source of wealth. Gold is a metal with the symbol Au on the periodic table of the elements. This precious metal is treasured because of its unique qualities. Gold is lustrous and brilliant to behold, and it does not tarnish with use or wear. It is impervious to almost any other element, and it is thus almost indestructible. Gold is rare. It also is soft and malleable, and it can be molded into almost any conceivable shape, however fine.

The legendary status of gold dates back to antiquity. In Greek mythology, Perseus sought the Golden Fleece. King Midas of Phrygia was famed for his "golden touch." King Croesus of Lydia minted gold coins, which were a part of his vast wealth. The ancient Romans extracted large amounts of gold from the Las Medulas mine in Spain. Even Aesop's goose laid golden eggs.

The medieval Mali Empire was built on huge quantities of gold, to the amazement of the world. At the same time, alchemists sought to turn base metals into gold; they did not succeed, but they did contribute to the development of chemistry. In later years, the Spanish conquistadors demanded the gold of the Aztec emperor Montezuma II and the Inca emperor Atahualpa. Other conquistadors brought themselves to destruction searching for El Dorado, the lost city of gold. In the nineteenth century, Aga Khan I, imam of the Ismāʿīlī Muslims, was weighed against a pile of gold bullion, donated by his followers to match his weight.

Archaeological finds became famous when they uncovered objects made of gold. When archaeologist Howard Carter discovered the mummy of Pharaoh Tutankhamen, the ancient Egyptian leader was entombed in a solid gold casket weighing 296 pounds, and he was wearing a solid gold funerary mask weighing 24 pounds. The Karun Treasure, a collection of ancient Lydian objects from the seventh century B.C.E., included golden birds and horses.

Throughout history, treasure hunters searched for Valverde's gold, rumored to be the remainder of Atahualpa's gold, hidden from the Spanish; the buried gold treasure of seventeenth century pirate William Kidd; gold from the treasure ship *Republic*, lost when it sank in 1865; and the gold stolen by the Nazis. Once gold is found, hoards of miners rush in to seize it. The gold rushes in California in 1849, Australia in 1851, South Africa in 1886, and the Klondike in 1897 have become legendary for having attracted hundreds of gold seekers eager to strike it rich.

The most beautiful and valuable coins in history have been made of gold: the aureus and solidus of ancient Rome, the Venetian ducat, the Byzantine bezant, the Islamic dinar, the British sovereign, the South African Krugerand, and the American "double eagle" twenty-dollar gold piece, designed by sculptor Augustus Saint-Gaudens. The Chinese emperor Xianzong is credited with the first use of paper money in the ninth century, but paper money was backed by gold. For example, the U.S. dollar was supported by gold reserves in Fort Knox, Tennessee, and other locations. In the twentieth century, both Great Britain and the United States went off the gold standard, as did most of the world's nations, as a result of the Bretton Woods Agreement of 1944. Economist John Maynard Keynes labeled the gold standard a "barbarous relic." However, time has yet to tell whether fiat currency—money declared legal tender—can remain useful if it is not backed by gold.

Their chief residence was Cragwood, a Germanic turreted castle on an estate in New Jersey. This estate boasted a menagerie of animals, including lions, parrots, peacocks, and prize golden retrievers. Charles paid $1 million to create a salmon river for his personal fishing. The couple also owned apartments in Rome, New York City, and London. When they traveled, they were waited upon by a team of secretaries, drivers, butlers, valets, and chefs. The Engelhards owned three jets and a helicopter. They accumulated a multimillion-dollar art collection, which included works by Edgar Degas, Pierre-Auguste Renoir, Édouard Manet, and Paul Cézanne.

The Engelhards were an important couple in New York society. Jane was an elegant woman, who was perennially included on lists of the ten best-dressed women. Charles became passionate about horse racing, spending more than $15 million for 240 thoroughbred racehorses. Engelhard was one of the most successful racehorse owners, and his horses scored 213 victories in nine years. He owned stables in North Carolina, England, and South Africa. His best-known horse, Nijinsky II, is considered one of the greatest horses in thoroughbred history. Nijinsky II won the English Derby several times and was a British Triple Crown champion. At the end of Nijinky II's racing career, Engelhard sold the horse to a stud farm for $5.4 million.

Along with their lavish lifestyle, the Engelhards were generous philanthropists. Jane was a devout Catholic and contributed to Catholic causes. She also donated valuable antiques to the White House's collections, including an eighteenth century Neapolitan crèche. The Engelhards gave $500,000 to Boys Town of America and $1.25 million to Rutgers University, and they provided funds to construct a library at Harvard University's Kennedy School of Government. (The library does not bear the Engelhard name because of controversy about Charles's involvement in South Africa during the years when apartheid was the government's official policy.) The Engelhards also made large donations to development projects in South Africa.

Because of his lavish lifestyle, Charles gained weight, and this increase may be an explanation for his sudden heart attack, and death, at the age of fifty-four. He left a fortune of $250 million. Jane continued to run the Charles Engelhard Foundation, which in 2003 had assets of approximately $100 million. She gave $10 million to the American Wing of the Metropolitan Museum of Art in New York City. The wing's Charles Engelhard Court is one of the highlights of the museum, and it contains a reflecting pool, nineteenth and twentieth century American sculptures, and elegant plants. Jane died on February 2, 2004.

Legacy

Charles Engelhard, Jr., gained his fortune from his worldwide metals refining and smelting operations, and he spent much of his wealth on lavish living and horse racing. His wife, Jane, who had an equally remarkable personal history, was a driving force in the Engelhard operations, especially in the couple's charitable donations. The Charles Engelhard Foundation financed various environmental and substance abuse programs. Jane also provided funding to build the Charles Engelhard Court at the Metropolitan Museum of Art. This court underwent a major renovation from 2007 to 2009.

—Howard Bromberg

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See also: Arthur Vining Davis; Meyer Guggenheim; Solomon R. Guggenheim; Moritz Hochschild; Andrónico Luksic; Simón Iturri Patiño.

Béatrice Ephrussi de Rothschild

French aristocrat, heiress, and socialite

Ephrussi de Rothschild used her wealth to indulge her passions for travel and art. She amassed a vast art collection during her travels, which she left to the French Academy of Fine Arts, along with her estate in Saint-Jean-Cap-Ferrat, France, for the creation of a public museum.

Born: September 14, 1864; Paris, France
Died: April 7, 1934; Davos, Switzerland
Also known as: Charlotte Béatrice Ephrussi de Rothschild; Charlotte Béatrice de Rothschild (birth name)
Sources of wealth: Inheritance; marriage
Bequeathal of wealth: Museum

Early Life

Charlotte Béatrice Ephrussi de Rothschild (shahr-LUHT bay-ah-TREES eh-frew-SEE deh ROTH-child) was born in Paris, France, in 1864, a member of the French branch of the Rothschild banking family. She was the second daughter of Mayer Alphonse James Rothschild, who headed the French Rothschilds; his wife, Leonora de Rothschild, was a British Rothschild and his first cousin once removed. Béatrice and siblings Bettina Caroline de Rothschild and Édouard Alphonse James de Rothschild were raised at the family mansion at 2 rue Saint-Florentin in Paris and at the Château de Ferrières, a historic nineteenth century château located east of Paris. Her father was an avid art collector, and Béatrice came to share his passion for works of art.

First Ventures

Through her family's business interests in the Baku area of present-day Azerbaijan, Béatrice became acquainted with Maurice Ephrussi, a Russian-born French banker, art collector, and racehorse breeder who was fifteen years her senior. She and Ephrussi were married in Paris in 1883. They established residences in Paris, the Reux municipality in the Basse-Normandie region of France, and Monte Carlo, Monaco. The couple would have no children.

Ephrussi de Rothschild traveled extensively, befriending art dealers and experts and building a collection of paintings, sculptures, antique furniture, porcelain, and objets d'art. In 1902 she commissioned the Rothschild Fabergé egg, one of the few made for anyone outside the Russian imperial family, which she gave as an engagement present to her brother's future wife, Germaine Alice Halphen.

Mature Wealth

When her father died in 1905, Ephrussi de Rothschild inherited a substantial portion of his immense fortune. She purchased about seventeen acres of French Riviera land on the Saint-Jean-Cap-Ferrat peninsula, where, between 1905 and 1912, she oversaw the painstaking construction of a fanciful Italianate villa with elaborate gardens and stunning views of the Mediterranean Sea. She named her retreat Île-de-France after a favorite cruise ship, and she reproduced the sense of being aboard a ship at sea by designing the main garden to resemble the deck of an ocean liner, complete with gardeners dressed as sailors.

Ephrussi de Rothschild filled her villa with her extensive collections, and she kept a small menagerie of exotic animals in her gardens. She acquired eighteenth century furniture that had belonged to France's Queen Marie-Antoinette, and she had a Temple of Love erected in her garden that was a replica of the one near the queen's Petit Trianon château at Versailles.

Despite the attention she lavished on its creation, Ephrussi de Rothschild only occasionally stayed at the Île-de-France. After her husband's death in 1916, she left Saint-Jean-Cap-Ferrat behind, residing instead at the couple's Monte Carlo villa. Near the end of her life, she lived in Davos, Switzerland, where in 1934 she died of tuberculosis at the age of sixty-nine. In her will she bequeathed her art collections and her estate at Saint-Jean-Cap-Ferrat to the Academy of Fine Arts of the Institute of France, with instructions that these donations be used to create a museum with the ambiance of a private home.

Legacy

Béatrice Ephrussi de Rothschild is remembered as the hugely wealthy, somewhat eccentric Rothschild who built and inhabited Île-de-France, now better known as the Villa Ephrussi de Rothschild. Thanks to her bequest to the French Academy of Fine Arts, her seaside retreat has become a Saint-Jean-Cap-Ferrat landmark enjoyed by more than 150,000 visitors a year. It is the French Riviera's only great Belle Époque estate of its kind that has been opened to the public. As such, it provides a window onto a vanished era, when European aristocracy and the wealthiest international elite dominated the resort towns of the French Riviera. Her villa and collections also afford the visitor insights into the life and lifestyle of the art-loving Ephrussi de Rothschild herself.

—Karen N. Kähler

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See also: Cornelia Martin; Abby Aldrich Rockefeller; First Baron Rothschild; James Mayer Rothschild; Mayer Amschel Rothschild; Nathan Mayer Rothschild; Consuelo Vanderbilt.

Charles Ergen

American telecommunications magnate

Ergen and two partners pooled their resources and began their business by selling full-size satellite television dishes in rural Colorado. This joint venture, eventually called EchoStar Corporation, and another company, Dish Network, became giants in the telecommunications industry, and Ergen became a billionaire.

Born: March 1, 1953; Oak Ridge, Tennessee
Also known as: Charles William Ergen
Sources of wealth: Media; telecommunications; investments
Bequeathal of wealth: Charity

Early Life

Charles William "Charlie" Ergen (EHR-gehn), the fourth of five children of William K. and Viola S. Ergen, was born in 1953 in Oak Ridge, Tennessee. When he was four years old, Ergen and his father, a nuclear physicist, witnessed the Soviet satellite Sputnik 1 in orbit. Ergen attended the local public schools and graduated from Oak Ridge High School in 1971. That same year his father died, and Ergen had to work his way through college. He graduated from the University of Tennessee in 1975 and the Babcock Graduate School of Management at Wake Forest University in 1976. After receiving certification as a public accountant, Ergen worked as an auditor for a textile company and then as a financial analyst for PepsiCo's Frito-Lay division. In 1978, Ergen quit his job and became a professional gambler, but he and his partner James "Jim" DeFranco got into trouble in Las Vegas after being charged with counting cards at the blackjack tables.

First Ventures

In 1980, Ergen, DeFranco, and Candy McAdams, who would later marry Ergen, began marketing television satellite dishes from the back of their truck. They spent $60,000 to start their company, initially called EchoSphere, because the satellite dish was shaped like a sphere, and later renamed the EchoStar Corporation. The business profited by selling satellite dishes in rural areas of Colorado, Utah, and Wyoming.

With hard-nosed tactics, a gambling nature, and a quick intelligence, Ergen worked mercilessly to advance his business. His strategies included avoiding competition by maintaining low prices, staying attuned to legislative proceedings that affected the media and telecommunications industries, and eagerly providing lawmakers with evidence in support of reforms and improvements that would benefit his company. Ergen demonstrated technological knowledge in the telecommunications business and insisted upon providing his customers with cutting-edge services. By 1987, Ergen had concluded that the future of his business depended upon extending his enterprise beyond merely selling equipment and hardware. In order to have more control of the delivery of television programs, Ergen opted to have EchoStar invest in direct satellite broadcasting.

Mature Wealth

In the early 1990's, Ergen expanded his business to include small-dish satellite services, and he founded Dish Network as the broadcasting services division of his business. Having obtained a direct broadcasting satellite license from the Federal Communications Commission, Ergen's company could now provide national broadcasting services. In the mid-1990's, EchoStar launched the first of several satellites, began selling its stock publicly, and created a Dish Network infomercial with Ergen as the host of Charlie Chat. During the late 1990's, Dish Network became the first company to broadcast local television channels via satellite.

Throughout the 1990's and early twenty-first century, Ergen's business flourished. Millions of people subscribed to Dish Network, and he became one of the richest men in America. By 2002, EchoStar employed fifteen thousand people and was worth $10 billion. In 2007, he was the wealthiest Colorado resident and the twenty-seventh-richest person in the United States, but the zealous Ergen wanted more. He ruthlessly pursued merger deals with other companies, including Rupert Murdoch's News Corporation. This merger failed, but Ergen managed to gain News Corporation's satellite assets.

Ergen worked to provide discount prices while offering customers the latest technologies. These tactics garnered 13.7 million subscribers. However, inadequate marketing campaigns, litigation, high-definition television, and cable television competition during a period of economic downturn caused Ergen to lose more than $2.2 billion in 2008.

Legacy

In the process of building EchoStar and Dish Network, Ergen became a wealthy telecommunications tycoon. His philanthropy has included political contributions to both major political parties and donations to the Colorado Mountain Club and Children's Hospital in Colorado.

—*Cynthia J. W. Svoboda*

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See also: Barbara Cox Anthony; Silvio Berlusconi; Michael Bloomberg; Anne Cox Chambers; Robert L. Johnson; John Kluge; Rupert Murdoch; Thaksin Shinawatra; Carlos Slim; Ted Turner; Oprah Winfrey.

PABLO ESCOBAR
Colombian drug trafficker

Escobar rose to power during a time of great violence in Columbia's history. His ruthlessness enabled him to control the world's most powerful—and lucrative—cocaine cartel. Escobar used some of his ill-gotten wealth to benefit the poor.

Born: January 12, 1949; Medellín, Colombia
Died: December 2, 1993; Medellín, Colombia
Also known as: Pablo Emilio Escobar Gaviria; El Doctor; El Patron
Sources of wealth: Narcotics trafficking; real estate
Bequeathal of wealth: Spouse; children; government

EARLY LIFE

Pablo Emilio Escobar Gaviria (PAH-bloh ee-MEEL-ee-oh EHS-koh-bahr gah-VEER-ee-ah) was born in 1949 in Medellín, Colombia, the son of Abel de Jesus Escobar and Helmilda Gaviria. His family would have been considered middle class. He grew up in Envigado, a suburb of Medellín, during a period referred to locally as "the violence," a time of great bloodshed and ineffective law enforcement. Escobar was involved in criminal activities in high school. He eventually dropped out.

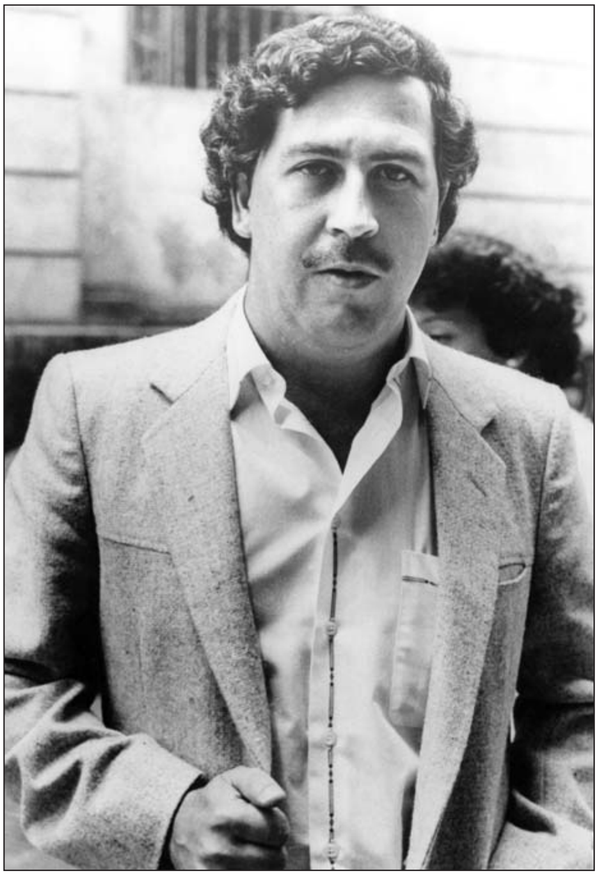
FIRST VENTURES

Escobar moved up to stealing automobiles and selling them for parts. However, he found he could make more money by bribing officials to provide new titles for the cars and then reselling the vehicles. By 1976, Escobar moved into the world of drug smuggling. He was arrested shortly after his marriage to Maria Victoria Henao Vellejo after he was caught smuggling thirty-nine kilograms of cocaine. He then showed the cunning and ruthlessness that would become his trademark. After rejecting a bribe, the judge on the case recused himself as the result of a ploy by Escobar. The officers who arrested Escobar were murdered. When Escobar finally decided to move into cocaine distribution, he simply murdered the local drug kingpin, Fabio Restrepo, and took over his business.

MATURE WEALTH

Escobar organized the other cocaine smugglers into a cartel. He made sure the laboratories which processed the cocaine were hidden in the rainforests. He organized the drug cartel like a corporation and personally supervised every stage of the drug-dealing process. He adopted a philosophy of *plata o plomo* (silver or lead) as a way of dealing with his enemies. People who did not take his bribes were killed with no remorse.

As his empire grew, he started to purchase airplanes and managed to get two airlines under the Medellín cartel's control. He supervised a network of drug distribution points throughout North America. The profits of the cartel were comparable to those of the largest multinational corporation. Drug traffickers in Medellín and surrounding areas were giving Escobar between 20 and 35 percent of their profits. He invested in real estate in the United States and had numerous estates in Colombia, one of which boasted a private zoo and twenty artificial lakes. *Forbes* magazine estimated his wealth to be close to $25 billion in 1989, which ranked him as the seventh-richest man in the world. He controlled roughly 80 percent of global cocaine distribution.



Pablo Escobar. (AP/Wide World Photos)

Despite his criminal background, Escobar gave freely to the poor and was seen as a Colombian Robin Hood. He built low-cost housing and lighted sports arenas for the public. He funded the construction of many churches. He was so popular that he was even elected to the Colombian congress.

However, the violence he created eventually caught up with him. In 1993, aided by a local organization of people who had been affected by Escobar's activities, the U.S. Drug Enforcement Administration and Colombian police tracked him down after an arduous search. He was killed in Medellín during a gunfight.

Legacy

The Colombian government seized many of Escobar's properties and either gave them to the poor or used them for government purposes. Escobar's activities were one of the reasons President Ronald Reagan initiated his war on drugs. The depth of the corruption caused by Escobar's wealth and his influence were far-reaching and took years to ferret out.

Escobar continued to be held in high esteem by some, particularly the poor, because of his public works. His wife inherited some of Escobar's vast wealth and was later jailed for money laundering. His daughter inherited the remains of Escobar's estate after a long legal battle.

—*James J. Heiney*

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See also: William Jardine; John Palmer; David Sassoon; Wu Bingjian.

Nikolaus Esterházy

Hungarian aristocrat, military leader, and art patron

Esterházy was born into wealth as a member of the house of Esterházy, a noble family with a considerable fortune. His thirty-year financial commitment to support the eminent composer Joseph Haydn established his reputation as a significant patron of the arts.

Born: December 18, 1714; Galanta, Kingdom of Hungary (now in Slovakia)
Died: September 28, 1790; Vienna, Austria
Also known as: Nikolaus Joseph Esterházy
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Children; employees; charity

Early Life

Nikolaus Joseph Esterházy (EHS-ter-hah-zee) was the son of Prince Joseph Simon Antal (1688-1721). Esterházy's ancestors, Count Nikolaus Esterházy (1583-1645) and his son Prince Paul Esterházy (1635-1713), acquired the family's fortune through marriage, by acquiring land from the Protestants during the Counter-Reformation, and from the conquest of the Turks. Because of their loyalties to the Habsburg Dynasty and the Roman Catholic Church, the Esterházy family accumulated enormous wealth and became the largest landowners in the Habsburg Empire.

Nikolaus Joseph Esterházy was educated by the Jesuits, a religious order of priests and scholastic students known for its commitment to education. Esterházy's exposure to music and philanthropy at an early age influenced his later decision to become a patron of the arts. In 1737, he married Maria Elisabeth, the daughter of the count of the Holy Roman Empire.

First Ventures

Esterházy distinguished himself in an Austrian military career. As commander of an infantry brigade at Kolín in 1757, he successfully led his men to victory and was rewarded with an appointment as captain of Empress Maria Theresa's Hungarian bodyguard. He also received the coveted Order of the Golden Fleece. Following the death of his older brother Prince Paul Anton in 1762, Esterházy assumed the title of prince.

Mature Wealth

Schloss Esterházy, a grand palace in Eisenstadt, Austria, served as the primary residence for the Esterházy family.

In 1762, Esterházy began construction of the Esterhaza Palace in Fertőtó, Hungary, that became known as the Hungarian Versailles because of its unrivaled splendor. A benefactor to his employees, Esterházy distributed his wealth among them by paying pensions to the elderly and supplementing the incomes of widows. He also donated funds to hospitals in Eisenstadt and Fertőtó and supplied medicine.

Esterházy retained the services of composer Joseph Haydn, who had been hired by Esterházy's brother Paul Anton. For thirty years, Haydn repaid his new employer by transforming Esterházy's orchestra into one of the finest in Europe and by composing symphonies, operas, orchestral and chamber works, and music for a puppet theater. Esterházy revered Haydn, often rewarding him with gold ducats and twice restoring the composer's burned home.

In addition to being a supreme patron of the arts, Esterházy was renowned for his jewels and extravagant clothing. The Esterházy jewels included rubies, topazes, pearls, and emeralds. His hussar's cap was adorned with approximately five thousand diamonds that simulated plumes. His sword and sheath sported jewels, as did a belt of pearls and diamonds. All the armor worn by male family members was decorated with precious jewels.

When his wife Princess Maria Elisabeth died in February, 1790, Esterházy became despondent. Haydn's music failed to restore the prince's spirit and Esterházy died seven months later.

Legacy

A nobleman and aristocrat who possessed enormous wealth as a member of the house of Esterházy, Nikolaus Esterházy could have lived a secluded and pampered life without regard to the plight of others. Instead, he assumed the role of benefactor to one of the most prestigious and prolific composers of the time—Joseph Haydn. In the history of music, there are few composers who have benefited from such generous financial support and creative encouragement as Esterházy provided Haydn. Haydn composed 106 symphonies, almost all of which were completed at Esterhaza Palace, in addition to his many other works. Because of his steadfast devotion to Haydn, Esterházy is rightfully considered to be a monumental figure in eighteenth century music.

—*Douglas D. Skinner*

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See also: Angela Burdett-Coutts; Archduke Friedrich of Austria; Gaius Maecenas; Lorenzo de' Medici.

James G. Fair

American mining magnate, real estate speculator, investor, and politician

Fair and his three colleagues made a fortune mining the rich deposits of silver on the Comstock Lode. However, some observers claimed that his great wealth ruined his character, earning him the nickname Slippery Jimmy.

Born: December 3, 1821; Clogher, County Tyrone, Ireland
Died: December 28, 1894; San Francisco, California
Also known as: James Graham Fair; Slippery Jimmy
Sources of wealth: Mining; real estate; investments
Bequeathal of wealth: Children; relatives; charity

Early Life

Born into a peasant family in a small village near Belfast, James Graham Fair immigrated with his family to the United States in 1843. He grew up on a farm in Illinois, receiving what education he obtained in the public schools. He moved to Chicago in his mid-teens, where he received training in business.

At nineteen he set out for the California gold fields, where he prospected for gold in the Feather River region. He apparently learned much about gold mining in California. People who knew him at the time described him as very mechanically inclined and hardworking, with a sharp business mind. He married Theresa Rooney, the daughter of an Irish saloon owner, in 1861. Rooney was Catholic and Fair was a Protestant, which caused tension in their marriage, as the couple disagreed about the faith in which to raise their children. Fair eventually moved to Nevada, where he operated a mill on the Washoe River and became superintendent of several mines in the region of Virginia City.

First Ventures

In 1867, Fair became the superintendent of the Hale and Norcross Mine in Virginia City, one of the largest and most prosperous enterprises in the area. At that time he and three other Irishmen—James Clair Flood, John William Mackay, and William S. O'Brien—formed a company popularly known as the Bonanza firm and began to acquire shares in the silver mines on the Comstock Lode. Fair's partners were Irish Catholics, while he was a Protestant, and this would be a future source of conflict between them.

Between 1867 and 1873, the Bonanza firm made large fortunes for the four partners. In 1873, Fair was instrumental in the discovery of the so-called big bonanza, one of the largest silver strikes ever found. From 1873 to 1882, the big bonanza produced more than $105 million worth of silver ore (almost $2.5 billion in 2010). After 1882, the production of the Comstock rapidly declined, although ore continued to be extracted from the mines until the 1940's.

Mature Wealth

Fair later claimed most of the success of the Comstock operation derived from his own efforts, and most of its failures from the mistakes of his partners. Fair's claims are not without a basis in fact. His mechanical aptitude and flair for organization were instrumental in the successes of the Bonanza firm. A tireless worker, Fair spent most of his time belowground in the mines during the years of greatest productivity.

The Bonanza partners greatly augmented their earnings from the mines by collateral enterprises. They organized three major companies: the Pacific Mill and Mining Company, which owned and operated the mills that processed the ore; the Pacific Wood, Lumber and Flume Company, which supplied the millions of dollars worth of timber needed by the mines; and the Virginia & Gold Hill Water Company, which supplied water to the mines. These subsidiary enterprises made the four principal owners of the Bonanza firm many millions of dollars.

Fair invested much of the profits he made from the Comstock discoveries in San Francisco real estate; Nevada Bank; the South Pacific Coast Railroad, which ran down the east side of San Francisco Bay; and manufacturing. His real estate holdings prospered, making him another fortune. The Nevada Bank for a time became the largest bank in the United States during the height of the silver boom. The South Pacific Coast Railroad became one of the most profitable lines in California. All of these ventures together made Fair one of the wealthiest men in the United States.

According to some observers, the acquisition of great wealth ruined Fair's character, making him selfish, avaricious, and duplicitous and earning him the sobriquet "Slippery Jimmy." Those who knew him at this time said he took pride in being more clever and trickier than other men. Although Fair had the reputation of "knowing the value of a dollar," he did indulge himself and his family

The Comstock Lode

The Comstock Lode was the first great silver discovery in the United States and one of the greatest mineral discoveries in the history of the world. Mormons on their way to the California gold fields made the initial discovery of minerals in northern Nevada during the spring of 1850. These earliest discoverers continued on to California in search of richer pickings, and they were followed by others on their way to the California fields during the next few years. By 1853, around two hundred men were actively mining the area.

In 1857, two brothers from Pennsylvania, Ethan and Hosea Grosh, discovered the mine that was later called the Comstock Lode. The Grosh brothers died of injuries sustained while crossing the Sierra Mountains, and Henry T. P. Comstock claimed their cabin and lands. Several other prospectors also filed claims on area mines. All of these early discoverers of the Comstock Lode's wealth eventually died in poverty.

When news of the gold and silver discoveries spread, a stampede of prospectors ensued. More than seventeen thousand fortune-seekers rushed to Nevada between 1859 and 1865. The usual claim-jumping and litigation resulted. During those years, an estimated $50 million worth of ore (more than $250 million in 2010 dollars) was extracted from the area, while about $10 million was spent on law suits. Beginning in 1865, men later called the "bank crowd" began acquiring mine shares and mills in the area of Virginia City, Nevada. They built the Virginia and Truckee Railroad in order to link the mines with other areas, and the railroad drastically reduced transportation costs. The bank crowd also took over or started land, water, and freighting companies.

Four Irishmen—James G. Fair, James Clair Flood, John William Mackay, and William S. O'Brien—formed a partnership popularly known as the Bonanza firm in 1867. In 1873, the Bonanza firm, led by Fair, made the largest single silver discovery in history, the "big bonanza." Between 1873 and 1882, the partners' mineral strike produced more than $105 million worth of silver ore (almost $2.5 billion in 2010 dollars).

During its most productive years, the Comstock Lode produced approximately $305 million worth of ore (around $75 billion in 2010 dollars), which financed much of the industrial expansion of the United States during the latter part of the nineteenth century. The technological innovations made while exploiting the Comstock had ramifications far beyond the mining industry. For example, A. S. Hallidie's development of a flat-woven, wire rope used to haul ore from deep underground was later adapted for use in San Francisco's cable cars. However, the development of the Comstock Lode also resulted in the deforestation of many surrounding mountain ranges and had other negative environmental consequences for the Western United States.

in the luxury of a world tour. By ocean liner and railway, they visited most of the famous tourist areas of the world in 1880.

After Fair returned to the United States in 1881, his wealth won him election to the U.S. Senate. He served an undistinguished six years, focusing on silver issues at a time when other senators were moving to demonetize silver. Fair's one speech in the Senate was delivered during discussions about the Chinese Exclusion Act of 1882; he fulfilled his campaign promise to uphold white supremacy. Fair's wife divorced him in 1882 on the grounds of habitual adultery. He did not stand for reelection to the Senate in 1886 and returned to San Francisco, where he took up residence in two rooms on the third floor of the Lick House, which he had bought in the early 1880's.

Back in San Francisco, Fair concentrated on his real estate and banking investments and his railroad enterprises. In 1888, the usually parsimonious Fair paid Hubert Howe Bancroft $15,000 to write a short, very flattering biography of him. Fair lived a solitary life, making no close friends. In 1890, when his daughter married the scion of another wealthy family, she did not invite Fair to her wedding. Nevertheless, he gave the couple a wedding present of $1 million, or so he told a San Francisco newspaper.

Fair continued to be interested in mining ventures, buying holdings in Wyoming, Idaho, Arizona, Georgia, and abroad. By 1893, he owned sixty acres of San Francisco's most fashionable areas. He bought office buildings, rooming houses, warehouses, small hotels, and other income-producing properties, all of which he allowed to run down, claiming that San Francisco real estate taxes were so high that they precluded him from making any improvements to his holdings. By the time of his death in 1894, his income from rents averaged almost $250,000 a month (more than $10 million in 2010 dollars).

Fair died alone and friendless, with only his physician and his nurse at his bedside. The coroner's report listed his cause of death as heart failure. Fair's obituary in the San Francisco *Chronicle* said he did not have an intimate friend in the world, and the *Examiner* published a scathing account of his life and character and his unhappy relations with his wife and children.

Legacy

Fair's will left small sums to his sister and two brothers and smaller amounts to his nurse and two office workers. Three orphan asylums (Catholic, Protestant, and Hebrew) received $125,000. The bulk of his estate was left in trust for his three surviving children. Another will came to light, this one handwritten and leaving his estate directly to his children without the trust. The ensuing litigation by his children and by a host of people claiming to be his wives, his daughters-in-law, his illegitimate children, and various other relatives reduced his estate by an estimated $2 million in legal fees.

His business efforts did advance the industrialization of the United States, but Fair himself made no efforts to benefit humanity in any direct way. None of his descendants who were the beneficiaries of his wealth made any meaningful contributions to society. As far as can be told, Fair's great accumulation of wealth—approximately $45 million, or more than $1 billion in 2010 dollars—benefited only the creature comforts of him and his family.

—*Paul Madden*

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See also: William Andrews Clark; Marcus Daly; James Clair Flood; Meyer Guggenheim; George Hearst; F. Augustus Heinze; John William Mackay; William S. O'Brien.

Sir John Fastolf

English military leader and landowner

Sir John Fastolf was one of the first English knights to make a fortune as a professional soldier and convert it into income-producing investments, thus reflecting crucial changes in the gradual transformation of the feudal system of English social organization into a protocapitalist society.

Born: c. 1378; Caister, Norfolk, England
Died: November 5, 1459; Caister, Norfolk, England
Sources of wealth: Conquest; real estate
Bequeathal of wealth: Friends

Early Life

Little is known about the early life of Sir John Fastolf (FAW-stolf) except that he was the son of a Norfolk gentleman, John Fastolf of Caister. Sir John might have served as a squire to Thomas Mowbray, duke of Norfolk, before entering upon a military career. He served in Ireland in 1405-1406 under the duke of Clarence, the younger brother of the future King Henry V, and Fastolf seems to have remained with Clarence for about ten years.

Fastolf's financial fortunes received their first significant boost when he married on January 13, 1409, presumably for money. His wife Millicent was the daughter of Robert, Lord Tiptoft, but she had recently augmented her own fortune considerably upon the death of her first husband, Stephen Scrope of Castle Combe in Wiltshire. In consequence, Fastolf came into possession of lands that brought in a handsome annual income of £240.

FIRST VENTURES

Fastolf obtained a new opportunity to enhance his fortunes when Henry V began campaigning vigorously in France, with the intention of recovering England's lost possessions there. Fastolf was never an intimate of the king, although he did fight with him at the Battle of Agincourt in October, 1415. His first French campaign appears to have been with Clarence in Aquitaine in 1412-1413, when he was rewarded with the appointment of deputy constable in Bordeaux. He was also captain of Soubise and Veyres in 1413-1414.

Fastolf did not stay with Henry's army after Agincourt but returned to Harfleur with the duke of Exeter. He fought at Valmont while it was besieged by the French, and he was present at the sieges of Caen and Rouen with both Clarence and Exeter. Fastolf became captain of Harfleur and Fécamp, and he was granted four lordships in the vicinity of Caux in 1419. As well as obtaining the title to various holdings of captured land, Fastolf was able to augment his purse with ransoms demanded for influential captives seized in battle. Although there is no reason to doubt the honesty of his patriotism, he was essentially a professional soldier, who expected to make capital out of his endeavors, and he did so on a scale that made him one of the most successful mercenaries of all time.

When Henry V died in 1421, having returned to France to assist Clarence after the latter's defeat at Baugé, Henry's son was a mere infant. One of Henry's brothers, John, duke of Bedford, became regent. Bedford immediately formed a new military organization to continue the French campaign, with Fastolf and other experienced professionals at its core. Fastolf was a member of the regent's council from 1422 until Bedford's death in 1435, and he remained one of Bedford's most trusted military commanders.

MATURE WEALTH

Bedford rewarded Fastolf with additional captaincies, and Fastolf distinguished himself during Bedford's victory at Verneuil in August, 1422. Fastolf boasted that he ransomed the prisoners he took in that battle for 20,000 marks, but he only managed to collect part of the sum. He was made a Knight of the Garter in 1426, and his military triumphs in France continued apace. He took part in an assault on Maine in 1427, and he was appointed governor of Le Mans after capturing it. He also took the title of baron from one of several fiefs he was granted in the area. Fastolf began sending considerable sums of money back to England, which were used to add more land to his holdings, mostly around Caister in Norfolk.

In February, 1429, while transporting provisions to English troops besieging Paris, Fastolf was attacked at Rouvray and won what came to be known as the Battle of the Herrings after using barrels loaded with fish as a stockade. In June of that year, however, he took part in an attack on Beaugency with John Talbot, earl of Shrewsbury, which went badly. During the retreat, the English forces were overwhelmed at Patay and the rearguard was massacred; only the vanguard, led by Fastolf, escaped. Although the French historian Jehan de Waurin put the blame squarely on Shrewsbury's recklessness, Shrewsbury accused Fastolf of cowardice. Fastolf was eventually vindicated and continued to enjoy Bedford's full confidence, but the accusation tainted Fastolf's reputation in England.

When Bedford died in 1435, the English campaign in France suffered a dire blow, from which it never recovered. Fastolf did everything possible to retain his French lands and the income they provided. He retained a full-time attorney at the Court of Paris, Jean de Paris, to press his claims for land, ransoms, and jurisdictions, but the tide had turned and his holdings there were steadily worn away by a process of attrition. The fact that he was one of Bedford's executors kept Fastolf very busy for the next three years, and he was unable to defend his French claims as forcefully as he might have wished. He eventually decided to return to England permanently. He bought the Boar's Head tavern in Southwark, along with a town house, as well as expanding and improving his lands in Norfolk.

Fastolf appears to have spent nearly £14,000 buying property in England and an additional £9,500 improving it. In 1445, his English holdings brought him an annual income of £1,061; his remaining French lands still brought him £401, a fraction of their worth ten years before. He invested and spent on a lavish scale, but his background and former alliances made him suspect in a new political climate, as the Wars of the Roses became increasingly bitter, and he became the target of determined enmities. In 1452, he paid for the construction of Caister Castle, which was intended to serve as his country seat. It was one of the first English castles to be built out of brick, although it was otherwise orthodox—which

Shakespeare's Falstaff

According to all of the evidence, Sir John Fastolf was an expert military commander and an efficient businessman, austere in his habits, and not at all given to hypocrisy. Was it not for the unjust and self-serving accusation of cowardice of John Talbot, first earl of Shrewsbury, and the duke of Suffolk's avaricious persecution, Fastolf might have enjoyed a long-lasting reputation that was not only unsullied but heroic. Writings survive that describe Fastolf as cruel and ruthless, and perhaps he was in and after battle, but he does not seem to have been a violent man when not engaged in military service. However, the fact that a lingering taint still clung to his reputation long after his death was undoubtedly partly responsible for the fact that William Shakespeare, under pressure from a descendant of Sir John Oldcastle, changed a character's name from Oldcastle to Sir John Falstaff between the first and second drafts of *Henry V* (pr. 1598-1599; pb. 1600).

Oldcastle really had been a friend of "Prince Hal" (Henry V) during the king's younger and wilder days. Oldcastle might possibly have encouraged Henry in the sowing of his youthful wild oats, but Oldcastle was probably not the self-indulgent, cowardly, mendacious, and hypocritical character that Shakespeare described, and who was, in essence, depicted as being the exact opposite of everything that Henry V eventually became. Oldcastle would not have been the first actual individual that Shakespeare had comprehensively trashed in the interests of dramatic effect; Richard III came off worst of all in that respect. However, the fact that Oldcastle had a surviving descendant who might take umbrage as far as violence forced the playwright to improvise.

Falstaff was a fictitious name, but its origin was clear enough, especially given the fact that Fastolf was known to have owned the Boar's Head tavern in Southwark. Because of Falstaff's depiction in Shakespeare's play, Fastolf's posthumous reputation was blackened far more deeply than the earl of Shrewsbury or the duke of Suffolk could ever have imagined possible. Things might have been different if Fastolf had managed to found a college in Caister to serve as his memorial. However, in the absence of such a monument, the image of Falstaff—which took on a strange life of its own, evolving far beyond Shakespeare's original intention—superimposed itself so completely on Fastolf's identity as to almost efface the memory and reputation of the real man, at least until the twentieth century rehabilitation.

is to say, quandrangular in shape, with towers at the corners and equipped with a moat.

The construction of Caister Castle was obstructed by troubles that had begun in 1447, when the duke of Suffolk launched a long campaign attempting to seize various lands in Norfolk and dispossess the owners, including Fastolf. Suffolk eventually went so far as to lay a charge of treason against Fastolf, although Fastolf does not appear to have been politically active. While defending himself against this continual harassment, Fastolf formed a strong alliance with a neighboring landowner, John Paston. Paston's care in preserving his family's correspondence enabled future historians to know much about Fastolf and about much else that happened in Norfolk in the fifteenth century, although the original bound volumes of "the Paston letters" were dispersed and lost, and the authenticity of later printed editions became somewhat controversial.

Fastolf's great ambition during the last ten years of his life appears to have been the founding of a college at Caister, but his political and financial troubles prevented him from doing so, and with that end in mind he made Paston the executor of his will. Paston was still engaged in economic warfare with the duke of Suffolk, however, and Fastolf's death in 1459 only made the task of defending Fastolf's holdings more difficult. It was not until 1470 that a small parcel was eventually handed over to Magdalen College, Oxford University, by which time the Caister project had been conclusively abandoned, and the rest of Fastolf's fortune had been eroded by the expenses of its defense.

Legacy

Because his attempt to found a college came to nothing, and most of the money he left for that purpose was dissipated by Paston, Fastolf's principal material legacy was Caister Castle. The castle eventually fell into ruins, along with most of the other relics of the twilight of English feudalism. In the twenty-first century, what remained of the building, augmented with subsequent additions, was a private museum, home to the largest collection of motor vehicles in Great Britain. The difficulties that the humbly born Fastolf experienced in hanging on to his wealth, under harassment from the traditional aristocracy, reflect the awkwardness of the English transition from feudalism to protocapitalism. Fastolf also left a very peculiar "legacy" of another sort, thanks to the adaptation of his name by William Shakespeare for one of the playwright's most memorable but least worthy characters, and that, too, might be a reflection of aristocratic antipathy to the new breed of upwardly mobile moneymakers.

—*Brian Stableford*

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See also: John Hawkwood; John of Gaunt; William Sevenock.

Mohamed al-Fayed

Egyptian investor and businessman

Fayed, an Egyptian-born businessman, emerged victorious after a long battle for control of Harrods department store. His son Dodi al-Fayed died with Diana, Princess of Wales, in an automobile crash in Paris in 1997.

Born: January 27, 1929; Bakos, Alexandria, Egypt
Sources of wealth: Retailing; investments; real estate
Bequeathal of wealth: Unknown

Early Life

Mohamed al-Fayed (moh-HAH-mehd al-FI-ehd) was born in 1929 in Alexandria, Egypt, which at that time was under British administration. Fayed claims he comes from an old, wealthy, and distinguished family, but critics argue otherwise. His father was an elementary schoolteacher. Fayed's earliest business endeavors were selling soft drinks to his friends and selling sewing machines door-to-door.

First Ventures

After World War II, Fayed and his two younger brothers founded Genavco (General Navigation Company), a shipping firm that ran ferries on the Mediterranean and Red Seas. When Egyptian leader Gamal Abdel Nasser nationalized much of the nation's economy, Genavco re-

Mohamed al-Fayed holds a bottle of Imperial Majesty, the most expensive commercially available perfume ever sold, which cost more than $198,000. (AP/Wide World Photos)

Harrods department store at Christmas, 2000. (Getty Images)

located in Genoa, Italy. Fayed's first marriage was to a sister of Adnan Khashoggi, a notorious international arms dealer, whom some critics credit for Fayed's initial business successes. The Fayeds had one son, Dodi, before the couple's marriage ended in divorce.

Mature Wealth

In the 1960's, Fayed became a principal adviser to Rāshid ibn Saʿīd Āl Maktūm, the ruler of the emirate of Dubai. Not a modest man, Fayed claims that he was primarily responsible for the emirate's emergence as a major financial center. He encouraged British investment in the territory, and he also invested in construction and shipping operations, the latter through his company International Marine Services (IMS).

Fayed apparently also became an adviser to Sultan Hassanal Bolkiah of Brunei, one of the world's richest men. It was later rumored that Fayed illegally acquired $1 billion from the sultan's various business accounts. With his British contacts, relocating to London in 1974 was an obvious move for Fayed. There he added "al-" to his name, with its allusions to the elite, and some in the British press consequently referred to him as the "phony pharaoh." Generally, however, the British political and social establishment accepted Fayed's claims that he was a legitimate businessman.

In London, Fayed invested in Lonrho, Plc., which was heavily involved in the African mineral industry. Lonrho was headed by R.W. "Tiny" Rowland, a flamboyant businessman who was committed to diversifying Lonrho's investments and sought to gain control of the House of Fraser, which included Harrods, the world-famous London department store. In 1984, Fayed bought 30 percent of the House of Fraser's shares, and in a bitter contest he succeeded in acquiring the remaining shares the following year by outbidding Rowland. The dispute continued for years, during which Fayed and Rowland suborned politicians and resorted to inflammatory claims about each other in the media. Fayed was arrested, accused of bribing Conservative members of Parliament and cabinet officials. He later unsuccessfully sued for false arrest. The conflict was finally resolved in favor of Fayed in 1992, and he subsequently removed from Harrods' food halls a shark's head on which the word "Tiny" was written.

Fayed became executive chairman of Harrods in 1989, and he claims that he spent £400 million to refurbish and upgrade the iconic store. The House of Fraser went public in 1994, selling its shares on the London Stock Exchange, but Fayed retained Harrods as his personal property.

Some of his other acquisitions include L'Hôtel Ritz in Paris, the villa of the duke and duchess of Windsor, and Britain's Fulham football (soccer) club.

Legacy

Fayed had four children with his second wife, a Finnish woman. His entire business career has been controversial, particularly as recounted in the British media, which has accused him of being a serial liar and a thief. After the death of his son Dodi and Princess Diana, Fayed accused the British royal family of murdering the two in order to prevent Diana from marrying Dodi and converting to Islam. In 2008, an official investigation dismissed his allegations, ruling that the deaths were accidental. Because of his notoriety, neither Conservative nor Labour governments have been willing to grant him British citizenship.

—*Eugene Larson*

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See also: Mohammed Hussein Ali Al Amoudi; Al-Waleed bin Talal; Mohammed bin Laden; Sultan Hassanal Bolkiah.

Cyrus West Field

American paper merchant and transatlantic telegraph cable builder

Field built a profitable paper business in New York in the 1840's and 1850's. He then gained international renown as the organizer and driving force in the effort to lay an underwater telegraph cable connecting Europe and North America.

Born: November 30, 1819; Stockbridge, Massachusetts
Died: July 12, 1892; New York, New York
Also known as: Cyrus W. Field
Sources of wealth: Trade; telegraph
Bequeathal of wealth: Dissipated

Early Life

Cyrus West Field was born in Stockbridge, Massachusetts, in 1819. His father was a stern, influential Congregational minister. All of Field's brothers who survived to middle age achieved notable success in occupations ranging from writing to serving as a justice of the U.S. Supreme Court and president of the Massachusetts Senate. At age fifteen, Field moved to New York City to begin an apprenticeship in the city's leading dry goods store, where he quickly rose to become a senior clerk. At age eighteen, he returned to western Massachusetts, working for his brother as bookkeeper, general assistant, and then sales representative at a paper mill.

First Ventures

At age twenty, Field married and became the junior partner in Root & Company, a wholesale paper dealer in New York City. Within six months, Root went bankrupt, but Field settled the debts of his former employer at thirty cents on the dollar and reorganized the firm under his own name. The company purchased supplies for papermakers and marketed their products. Field used his knowledge of the industry, close ties with Massachusetts papermakers (especially Crane & Company), and rising demand for paper to build an immensely successful business. Putting in exceptionally long hours and rarely delegating work, Field became the "uncontested dean" of New York paper merchants, amassing a net worth of almost $250,000 ($7.2 million in 2010 currency) by 1852. At this point, although it was not legally required, he paid off his company's old debts at their face value plus 7 percent interest, turned business duties over to a junior partner, and took a lengthy trip to South America with noted landscape painter Frederick Church.

Mature Wealth

Semiretirement did not suit the energetic Field. In 1854, Field's brother Matthew introduced him to Frederick Gisborne, whose Newfoundland Electric Telegraph Company owned rights to run a telegraph line to the eastern-

Cyrus West Field holds a section of his transatlantic cable. (The Granger Collection, New York)

most point in North America. Gisborne was a fugitive from fraud charges because his company had run out of funds to pay its workers after making little progress stringing a telegraph line through the rugged Canadian region. Field seized on the idea of buying out the company and using it as a springboard to lay a cable across the Atlantic connecting Europe and North America from Newfoundland to Ireland. He contacted Samuel F. B. Morse, inventor of the telegraph, to assess the project's plausibility and Matthew Fontaine Maury, head of the U.S. Naval Observatory, who explained that the ocean floor in this region of the Atlantic was ideal for a cable. Next, Field turned to wealthy New York City residents for funding, convincing Peter Cooper, Moses Taylor, Marshall Roberts, Chandler White, and others of the plan's merits.

Field then bought Gisborne's company, negotiated a new charter with the Newfoundland government, and recommenced construction of the original line. As expenses mounted, he traveled to England to find additional investors. An attempt to lay the Atlantic cable in 1857 failed after the line snapped, sending half a million dollars worth of material to the ocean floor. Success in laying the cable in 1858 brought transatlantic jubilation, and Field was hailed as the Columbus of America. Unfortunately, sending signals through the cable proved difficult and it went completely dead within a month. Skeptics claimed the cable never actually delivered any messages and alleged that Field was engaged in a hoax enabling him to make a substantial profit while preventing the company's charter from expiring. While these charges were rebutted, some historians maintain that Field's claims of successfully sending news over the wire were fraudulent.

Although Field was determined to see the project's successful completion, an official inquiry into the causes of the cable's failure and the outbreak of the Civil War caused delays. As the war ended, Field obtained use of the *Great Eastern*, the world's largest steamship, arranged new funding, and obtained a more advanced cable. Again, in 1865, the cable snapped in mid-ocean. Unbowed, Field arranged a fourth attempt in 1866 that succeeded, as did the recovery of the 1865 cable from the ocean floor. With two cables in operation and a monopoly on transatlantic service, the Anglo-American Telegraph Company began earning substantial profits.

Field remained busy for the next twenty years, investing in a range of businesses, including ownership of substantial telegraph holdings and a New York daily newspaper, the *Mail and Express*, and management of the Manhattan Railway, an elevated commuter line whose fortunes he turned around. His wealth reached about $6 million ($140 million in 2010 currency). He played a significant role in politics and may have inadvertently helped swing the 1884 presidential election when he arranged a gala dinner at Delmonico's restaurant for the Republican candidate, James G. Blaine, and many of his wealthy supporters. The opposition press depicted Blaine as a friend of the privileged and Grover Cleveland eked out a win in New York and the electoral college.

Inexplicably, in 1887 Field began speculating in the stock market, touting the Manhattan Railway in his newspaper and borrowing money to buy company shares on a thin margin, as his purchases pushed its price up. When the price began to fall, he was overextended and lost virtually his entire fortune within a few days. The press portrayed the collapse as a vile plot by Field's friend and associate Jay Gould, but a fairer reading shows that this was not the case. Field sank into illness and depression, abetted by a series of family losses and the collapse of his son's brokerage firm amid evidence of substantial fraud.

Legacy

As Field's assets evaporated, his primary legacy is the example of his relentless energy, vision, enthusiasm, and organizational talent in successfully laying the transatlantic cable. His name will forever be linked with that major breakthrough in long-distance communications.

—*Robert Whaples*

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See also: James Gordon Bennett, Jr.; Jay Gould; John William Mackay; Samuel F. B. Morse; Russell Sage.

Marshall Field

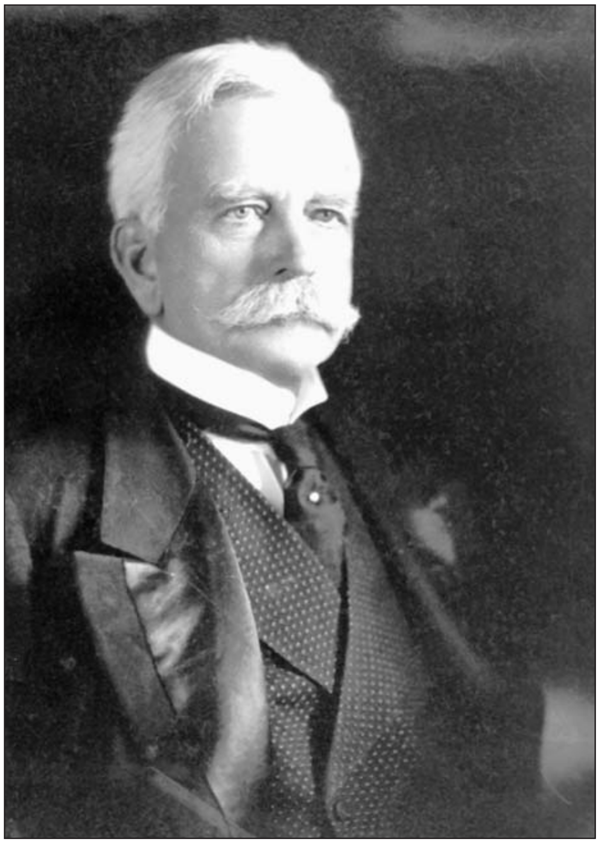
American retailer

Field introduced an innovative approach to the dry goods industry by transforming the need to purchase everyday items into a pleasant shopping experience. The introduction of exotic foreign imports, consistent pricing, and an inviting store environment became the hallmark of Marshall Field and Company. This approach not only made Field's personal fortune but also revolutionized the mercantile industry.

Born: August 18, 1834; near Conway, Massachusetts
Died: January 16, 1906; New York, New York
Sources of wealth: Retailing; real estate
Bequeathal of wealth: Children; charity

Early Life

Marshall Field was born in 1834 on a farm near Conway, Massachusetts, the son of John Field IV and Fidelia Nash. The Fields were direct descendants of the Puritans who arrived in Massachusetts in the seventeenth century. Field's family valued education, and he received his early schooling at the local public school and later at a nearby academy. At the age of seventeen, he moved to Pittsfield, Massachusetts, where he took a position in a dry goods store. Ironically, Mr. Davis, his first employer, felt that because of his shyness, Field would not have a future in merchandising. Despite his boss's opinion, Field learned a great deal from this job.



Marshall Field. (Library of Congress)

First Ventures

Field left Pittsfield after a year and headed west to make his fortune. He arrived in Chicago in 1856 and lived with his brother. He obtained employment as a clerk at Cooley, Wadsworth & Company, one of Chicago's largest dry goods firms. In 1863, he married Nannie Douglas Scott, and they had two children, Marshall Field, Jr., and Ethel Field. From 1856 to 1865, Field, with his frugal lifestyle and hard work ethic, was able to save more than $30,000, enough to buy into a business partnership.

Mature Wealth

Within four years after becoming a clerk at Cooley, Wadsworth & Company, Field advanced to the position of junior partner. In 1864, John V. Farwell, senior partner of Cooley, Farwell, & Company, offered both Field and the company bookkeeper, Levi Leiter, the opportunity to become partners in the firm. They readily accepted his offer and the firm became Farwell, Field & Company. Shortly thereafter, the new partners heard that Potter Palmer, one of Chicago's leading businessmen, was looking to dispose of several of his commercial interests. Instantly, Field and Leiter saw an opportunity to become Palmer's business partners. The three men began negotiating in late 1864 and reached an agreement in January, 1865. As part of their agreement, they created a new dry goods store, Field, Palmer, Leiter & Company. The new company proved to be so successful that Field and Leiter were able to pay Palmer back in full within two years. In 1867, Palmer withdrew from the partnership in order to

Elevator girls at Marshall Field's department store in Chicago in 1947. (Time & Life Pictures/Getty Images)

The Field Museum of Natural History

The Field Museum of Natural History was called the Columbian Museum of Natural History when it was founded in Chicago in 1893. It was housed in the Fine Arts Building, one of the structures built for the 1893 World's Columbian Exposition, which was held in Jackson Park. The museum's concept originated from a concern that the various biological and anthropological exhibits featured at the exposition would be lost to posterity. Citizens and business leaders came up with the idea of creating a permanent museum to exhibit these scientifically valuable specimens and to create educational displays for public enjoyment. Reluctant at first to become involved in such a project, merchant Marshall Field was finally persuaded in 1893 by fellow millionaire Edward D. Ayer to contribute $1 million toward the establishment of such a museum. Field subsequently made a bequest in his will of $8 million to ensure the museum's continued existence.

In 1905, the museum's name was changed to the Field Museum of Natural History in honor of its principal benefactor. The museum quickly grew in both scope and size as it began acquiring additional specimens through donations and collection expeditions throughout the world. In 1921, the museum moved a few miles south from its Jackson Park location to Grant Park, where it remained into the twenty-first century.

The museum is one of the most important natural science museums in the world. It has four major departments—botany, zoology, anthropology, and geology—which house more than twenty-four million specimens. The institution promotes collections-based research and offers scientists from around the world the opportunity to access its collections. Its exhibition halls offer the public a wide variety of exhibits ranging from insects to Egyptian mummies. The museum is perhaps most famous for Sue, the nearly complete skeleton of a *Tyrannosaurus rex*.

Another source of pride is the museum's Pritzker Laboratory for Molecular Systematics and Evolution. The laboratory's mission is to collect and analyze genetic data. The museum also houses the Robert A. Pritzker Center for Meteoritics and Polar Studies, which combines the traditional study of meteorites with biological research about polar regions. The center preserves meteorite collections belonging to the Field Museum and other institutions and conducts research expeditions to the Arctic and Antarctica.

concentrate on his real estate holdings, and the store became Field, Leiter & Company.

Field, Leiter & Company prospered until its six-story building, located at State and Washington Streets, was destroyed in the great Chicago fire of October, 1871. Field and Leiter acted quickly and saved a considerable amount of their merchandise. Within weeks of the fire, they were able to open a temporary store, and six months later, they moved into an unburned building, providing merchandise to Chicago residents as the city began to rebuild. Benefiting from Chicago's revitalization and construction boom, Field, Leiter & Company was back in business on State Street by October, 1873. Another fire destroyed the store in 1877, and once again, Field and Leiter moved quickly, opening a nearby temporary store within a month of the fire. This store would occupy this site until 1879, when the business moved into a new structure built on the site of their original shop. The partnership of Field and Leiter lasted until 1881, when Field and his junior partners bought out Leiter's interest in the business. Now Field was in complete control of his new firm—Marshall Field & Company.

Over the next twenty-five years, Marshall Field & Company expanded its business to such an extent that it became the largest wholesale and retail dry goods enterprise in the world, with annual sales of more than $60 million. Later expansion would include branches in New York, France, Germany, Great Britain, Japan, and Switzerland. The success of Marshall Field & Company was based on its combination of retail and wholesale merchandising. In conjunction with his prominent retail store on State Street, Field also operated a nearby wholesale facility that sold merchandise in bulk to smaller businesses across the country. The wholesale store made huge profits for the company because its Chicago location enabled it to provide merchandise for the growing markets in the Midwest and West. Never content with his success, Field was always looking for ways to lower costs and increase profits. One of his ideas was to manufacture his own merchandise in factories located in Australia, China, Germany, Italy, and Spain, an approach that eventually would become standard practice for many other businesses.

In Chicago, Field's State Street store remained the premier destination for quality shopping. It provided customers with such innovative services as an interior design department, personal shopping assistants, an easy return policy, home delivery, and a bargain basement. In later years, this store would feature The Walnut Room, a high-quality restaurant, and would gain renown for its festive appearance and holiday decorations. In addition to his merchandising, Field made a fortune in real estate. He was a leading advocate for the development of downtown Chicago, and at the time of his death, it was estimated that more than half of his $125 million wealth was invested in land. Field died of pneumonia in New York City on January 16, 1906.

Legacy

Initially, philanthropy was not one of Marshall Field's principal interests. At times he could be very generous, and at other times his actions could be somewhat inhumane. On one hand, Field was the stereotypically tyrannical nineteenth century capitalist. He was notorious for paying his workers the lowest possible wages and he hated labor unions. He opposed clemency for the defendants in the May, 1886, Haymarket Riot in Chicago, and he was a strong advocate for the use of the federal soldiers to break up the 1894 Pullman railroad strike.

On the other hand, he gave millions of dollars to support education and cultural development. As his fortune grew, and at the urging of other wealthy Chicago businessmen and civic leaders, Field eventually became a noted philanthropist. Among his philanthropic projects were a charter membership in the Art Institute of Chicago, the donation of ten acres of prime land for the establishment of the University of Chicago, and, in 1893, a $1 million contribution to the founding of the Columbian Museum of Natural History, which later became Chicago's Field Museum of Natural History. In addition, his will contained an $8 million bequest to the museum to ensure its future existence. Field's philanthropic legacy continues into the twenty-first century through his descendants, who remain faithful supporters of Chicago's educational and cultural activities.

—*Paul P. Sipiera*

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See also: Julius Rosenwald; Alexander Turney Stewart; Nathan Straus; John Wanamaker; F. W. Woolworth.

Harvey Firestone

American inventor and industrialist

Firestone's rubber tire innovations and business savvy made him one of the wealthiest tire entrepreneurs in the United States during the advent of the automobile industry.

Born: December 20, 1868; Columbiana, Ohio
Died: February 7, 1938; Miami Beach, Florida
Also known as: Harvey Samuel Firestone
Sources of wealth: Patents; sale of products; real estate
Bequeathal of wealth: Children

Early Life

Harvey Samuel Firestone was born in 1868 on his family farm in Columbiana, Ohio. He was the second child of Benjamin Firestone and A. Catherine Flickinger. Firestone graduated from Columbiana High School and then completed a business college course in Cleveland, Ohio. In 1895, he married Idabelle Smith, a composer and songwriter from Jackson, Michigan. The couple had five sons and one daughter.

First Ventures

After completing his business course, Firestone took a job with his uncle's business, the Columbus Buggy Company. By 1892, he had become the district manager in charge of Michigan sales. However, in 1896 the buggy company went bankrupt.

That same year, with financial support from a friend, Firestone moved his family to Chicago, where he opened a rubber wheels company. In 1899, he sold the company and earned a profit of almost $42,000. Firestone continued to be interested in the tire business and how it would be affected by the emerging automobile industry. By the beginning of the twentieth century, he had acquired a patent for a process of attaching rubber tires to wheels.

Mature Wealth

In 1900, Firestone relocated his family to Akron, Ohio, where many of the country's tire manufacturers were based. With $10,000 and his tire patent, Firestone and a group of investors opened the Firestone Tire & Rubber Company on August 3, 1900. At the company's inception, Firestone owned 50 percent of the corporation. During the first few years in business, the company sold tires manufactured by other firms and did not make much of a profit. In 1903, Firestone not only began to manufacture his own tires but also started to make a specially designed pneumatic tire for automobiles. In 1906, Henry Ford ordered two thousand sets of tires from Firestone. In 1907, Firestone's growing company sold 105,000 tires at a profit of $538,177. That same year, Firestone began marketing a tire with dismountable rim that allowed both the wheel and the tire to be removed together. This innovation eventually became known as the spare tire.

By 1913, Firestone's tire sales had exceeded $15 million, and he was ranked as one of the Big Five in the tire industry, alongside Goodyear Tire and Rubber Company, B. F. Goodrich, U.S. Rubber, and Fisk Rubber. In 1923, Firestone introduced the balloon tire, which eventually became the standard for most American automobiles. In 1924, he and Ford worked together to break Great Britain's monopoly on the world's rubber supply.

Harvey Firestone. (Hulton Archive/Getty Images)

In 1926, they purchased a million acres of land in Liberia and developed a plantation that provided them with an independent source of rubber.

In 1928, Firestone opened his first "one stop service center" that provided customers with numerous automobile-related services, including gasoline, oil changes, brake services, and tires. In 1932, Firestone stepped down as company president, while his five sons continued to take active roles in the business. By 1937, the company was supplying more than a quarter of all automobile tires in the United States and had capital in excess of $108 million. Firestone died of a coronary thrombosis at his winter home in Miami Beach, Florida, on February 7, 1938.

Legacy

Harvey Samuel Firestone's interest in rubber tires and their use on automobiles made his family-owned tire manufacturing business a leader in the tire industry. Many of his innovations became standards for the automobile industry, including the creation of his company's own rubber supply and the conception of the modern garage, where numerous automobile services could be offered to customers at one location. Firestone's business ingenuity and his tire inventions earned him the distinction of being one of America's wealthiest industrialists.

—*Bernadette Zbicki Heiney*

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See also: Walter P. Chrysler; John F. Dodge; Henry Ford; André Michelin; Alfred P. Sloan.

Henry M. Flagler

American entrepreneur, industrialist, and philanthropist

Flagler used a fortune acquired in the oil industry to build railroads and luxury hotels in Florida, thus establishing that state as a prime destination for tourists and enabling his heirs to pursue numerous philanthropic endeavors.

Born: January 2, 1830; Hopewell, New York
Died: May 20, 1913; West Palm Beach, Florida
Also known as: Henry Morrison Flagler
Sources of wealth: Oil; railroads; real estate; tourism
Bequeathal of wealth: Spouse; children; charity

Early Life

Henry Morrison Flagler was born into the family of a Presbyterian minister in Hopewell, New York. His father, the Reverend Isaac Flagler, married Elizabeth Caldwell Morrison Harkness after the death of her first husband, providing a family connection that would give young Flagler his start in business. Flagler left school after the eighth grade and moved to Bellevue, Ohio, where he worked in his cousin's grain business, L. G. Harkness and Company, for $5 a month plus room and board. By the time he left this company in 1849, Flagler had demonstrated his worth as a salesman, increasing his salary to $400 a month. In 1852, he joined another family business, D. M. Harkness and Company, and soon married Mary Harkness. Their first child, Jennie Louise, was born on March18, 1855, and their second child, Carrie (who would die at the age of three), on June 18, 1858. On December 2, 1870, Mary gave birth to Henry's only son, Harry Harkness Flagler, who would later become an important philanthropist in his own right.

First Ventures

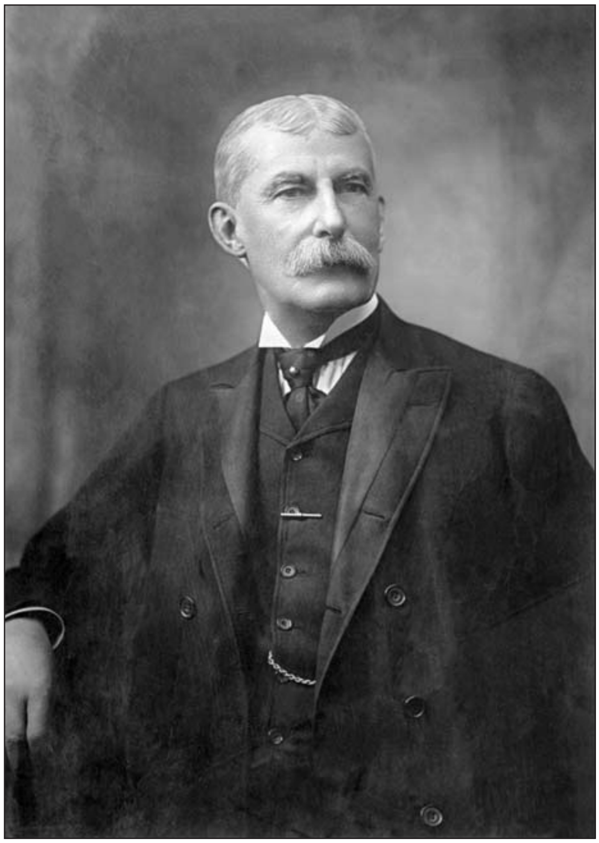
Flagler's entry into the salt business failed with the declining price for salt that followed the Civil War. His small fortune eliminated, Flagler returned to another Harkness family businesses,where he met John D. Rockefeller, who was working at that time for a firm that sold grain and other produce on commission. When Rockefeller left the grain business to enter the emerging petroleum industry, he approached Flagler for a loan to support his new venture. Stephen Vanderburgh Harkness agreed to become a silent partner in Rockefeller's company only if Rockefeller gave Flagler a position as partner. In 1870, the chemist Samuel Andrews joined with Rockefeller, Harkness, and Flagler to create the company that would soon be known as Standard Oil.

Within two years, Standard Oil had purchased or merged with all other oil companies in Cleveland and embarked on a plan to become a major national industry. The company's headquarters was relocated to New York, and by 1879, Standard Oil had captured 90 percent of the American oil market. By producing only the amount of oil needed to maintain a consistently high price, the original partners in the company all became extremely wealthy. Flagler and his wife purchased a spacious home on Fifth Avenue, but because of Mary's poor health the couple also spent part of each year in Florida on the advice of Mary's doctor. Through their winters in the Jacksonville area, Flagler became convinced that the region had potential for development and began formulating plans that would eventually introduce him to yet another source of wealth.

Mature Wealth

Flagler's wife Mary died on May 18, 1881, the year before the Standard Oil Trust was formed. This trust pioneered a new concept in business: Rather than functioning as the property of any individual owner, Standard Oil would be owned in common by a group of stockholders, with major decisions rendered by a board of trustees. Instead of receiving profits directly from the company's operations, Rockefeller, Flagler, and the other partners received their incomes from trust certificates, which became more valuable as the business continued to expand. On June 5, 1883, Flagler married Ida Alice Shourds, who had cared for Mary in her final illness. Because of Flagler's familiarity with Florida, the couple honeymooned in St. Augustine, which Flagler found distressingly lacking in convenient hotel accommodations.

With the trust now in charge of Standard Oil's day-to-day operations, Flagler began building a hotel worthy of St. Augustine's history and charm. Named the Hotel Ponce de Leon, Flagler's 540-room resort started the trend of making Florida a tourist destination for America's elite. Realizing that a major hotel would prosper only if it were easy to reach, Flagler purchased and extended local railroad lines, eventually forming the Florida East Coast Railway. The almost instantaneous success of the Ponce de Leon after it opened in 1888 caused Flagler to continue expanding his tourist empire. He proceeded south to Daytona with the Hotel Ormond in 1890 and extended his railroad to West Palm Beach in 1894, which he initially believed would be the southernmost point to which tourists would travel. Flagler's Royal Poinciana Hotel on the shores of Lake Worth boasted 1,150 rooms, and in 1896, he opened the Palm Beach Inn on a pristine stretch of Atlantic coastline.



Henry M. Flagler. (©Bettmann/CORBIS)

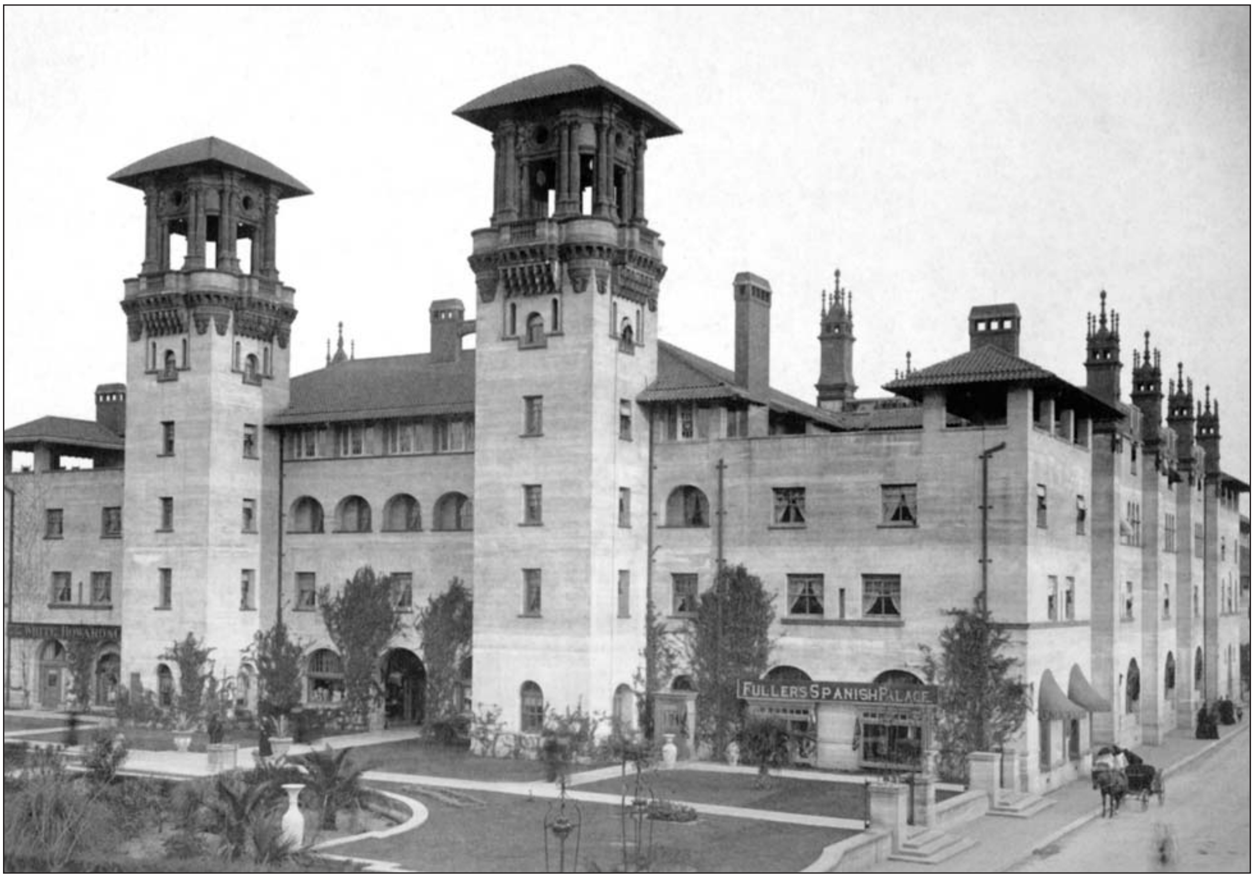
In addition to the Ponce de Leon, Flagler operated two other hotels in St. Augustine: the Alcazar, which later became the Lightner Museum, and the Cordova, which had been built by Franklin Smith in 1888 and originally named the Casa Monica (the name it was given once again following its 1997 restoration). Flagler's hotels were innovative for their features and luxurious appointments. At one time, the Cordova had the largest indoor heated pool anywhere; the Alcazar was one of the earliest examples of poured concrete construction in the United States; and the Royal Poinciana Hotel once boasted that it was the largest wooden structure in the world. Flagler's guests would frequently arrive at his hotels in private railcars, attended by a sizable household staff and equipped with numerous trunks of clothing. Guests would often change their clothing for each meal and wear the latest fashions for the numerous parties, balls, and social gatherings held in the hotels and at nearby estates.

Flagler's hotels originally remained open only from mid-December through late February, since Florida summers proved too hot for the elite clientele from Philadelphia, Boston, and New York. However, when cold winters hampered business in 1894 and 1895, Flagler decided to extend his railroad south to Biscayne Bay Country, a site that avoided the frigid conditions farther north. Julia Tuttle, a local citrus grower, offered Flagler a substantial land grant in order to develop the area, and by 1896 Flagler had provided the infrastructure necessary for a city to thrive. When it was proposed that the new town be called Flagler, the industrialist demurred, preferring the name Miami after the tribe of Indians that had given their name to a local river. It was thus in the new city of Miami that Flagler opened his Royal Palm Hotel in 1897.

For several years, Ida Alice's mental health grew increasingly unstable, and in 1901 Flagler took advantage of a new law that allowed him to divorce her on the grounds of insanity. On August 24 of the same year, Flagler married Mary Lily Kenan, the sister of the philanthropist William Rand Kenan, Jr. As a wedding present, Flagler built Mary Lily a lavish estate, which she named Whitehall, not far from the Palm Beach Inn, later renamed The Breakers in honor of the waves that continually lapped its sandy beaches. Flagler then spent seven years extending his railroad to Key West. He and his wife also became central figures in the Palm Beach social scene and helped inaugurate what became known as the season, an annual period when the wealthy would migrate from the north to Flagler's luxurious hotels along the eastern coast of Florida. In 1913, Flagler suffered a severe fall at Whitehall and died on May 20. He was buried in St. Augustine in a plot that he shares with his first wife and his eldest child, Jennie Louise.

LEGACY

Henry Morrison Flagler's influence on Florida was substantial. He helped transform what had been a largely un-



Alcazar Hotel, St. Augustine, Florida, in 1889. Henry M. Flagler built three hotels in this city in order to promote tourism in the area. (©Bettmann/CORBIS)

FLAGLER MUSEUM, WHITEHALL

Created as a wedding present for Henry M. Flagler's third wife, Whitehall is today regarded as a leading example of Gilded Age architecture. When construction of the palatial Palm Beach, Florida, residence was completed in 1902, the *New York Herald* described Whitehall as "more wonderful than any palace in Europe, grander and more magnificent than any other private dwelling in the world."

Flagler entrusted the project to the architects John Carrère and Thomas Hastings, whose first major commission had been Flagler's in St. Augustine and who later went on to design the New York Public Library. Carrère and Hastings's design featured an entry hall where guests would be met by a marble image of the emperor Augustus (based on the marble statue *Augustus of the Prima Porta*, now in the Vatican), an ornate clock by the cabinetmaker François Linke, and a full-length portrait of Flagler by Raimundo de Madrazo y Garreta. Overhead, the domed ceiling was adorned with a massive painting depicting the Oracle of Delphi surrounded by a number of mythological and allegorical figures. This juxtaposition of styles from various periods reflected the tendency of Gilded Age patrons to combine symbols of luxury irrespective of their divergent styles. Elegant spaces for formal and casual dining, individually designed guest bedrooms, more than twenty bathrooms, and central heating suggest the house's primary role in receiving and entertaining Flagler's friends. Whitehall's technological features included telephones and electric lighting, making the mansion highly advanced for its time.

The sixty-thousand-square-foot primary structure consisted of fifty-five rooms centering on an open courtyard in imitation of Italian villas, and the residence was filled with marble and gilded surfaces. To the right of the courtyard on the first floor were a drawing room, dining room, and breakfast room; to the left were a library, music room, and billiard room. On the second floor the bedrooms were named for their decor, such as the Yellow Roses Room, the Silver Maple Room, and the Heliotrope Room.

After the death of Flagler's widow in 1917, Whitehall became the property of her niece, Louise Clisby Wise Lewis, who later sold the property to investors. The new owners transformed the property into a hotel, and once Palm Beach became a popular tourist destination they built a three-hundred-room hotel annex at the back of the building. This additional structure was demolished in 1963, and the mansion was restored to its original state, becoming the Flagler Museum. The building is listed on the National Register of Historic Places. In 2005, a pavilion in the style of a grand railway station of the Gilded Age was added to the grounds, in part to house Flagler's private railroad car.

inhabited region into a major tourist destination, established a standard for luxury in the hotel industry that would be imitated by many successors, and helped create the city of Miami. Flagler's wealth also became the basis for numerous philanthropic enterprises through the efforts of his third wife and his son. The William R. Kenan, Jr., Charitable Trust, named for the brother of Mary Lily Kenan Flagler, became a major benefactor of the University of North Carolina at Chapel Hill and has funded numerous other educational and cultural endeavors at such institutions as Florida Atlantic University, Sweet Briar College, Princeton University, and the Smithsonian Institution. In 1968, another of Flagler's heirs, Lawrence Lewis, Jr., founded Flagler College, using the former Hotel Ponce de Leon as its central building. The fortune developed by Henry Morrison Flagler through his enterprises in oil, railroads, and the hotel industry thus continues to benefit the educational and cultural activities throughout the region that Flagler once called home.

—*Jeffrey L. Buller*

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See also: John Insley Blair; Jay Cooke; Charles Crocker; Edward L. Doheny; John W. Garrett; Edward H. Harriman; James J. Hill; Mark Hopkins; Collis P. Huntington; George Mortimer Pullman; John D. Rockefeller; John D. Rockefeller III; Harry F. Sinclair; Leland Stanford; Cornelius Vanderbilt.

JAMES CLAIR FLOOD

American silver mining magnate

Flood, one of the silver kings, became rich through his investment in Nevada's famed Comstock Lode. Typical of wealthy people in the Gilded Age, Flood engaged in spectacular consumption, becoming one of the leading citizens of San Francisco during the city's maturation in the 1870's.

Born: October 25, 1826; Staten Island, New York
Died: February 21, 1889; Heidelberg, Germany
Sources of wealth: Mining; investments
Bequeathal of wealth: Spouse; children

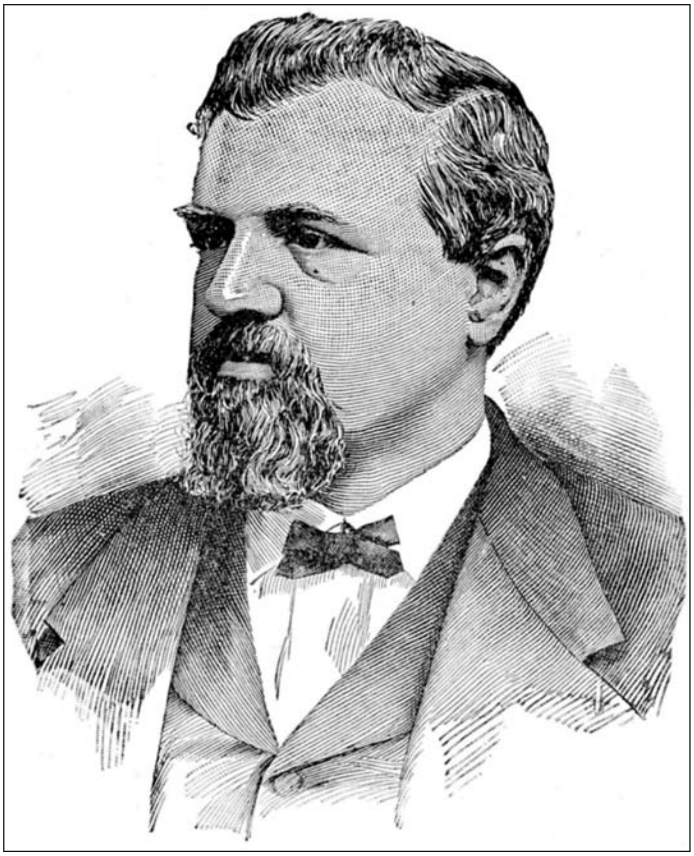
EARLY LIFE

James Clair Flood, the son of poor Irish immigrants, attended New York City public schools for a few years before becoming apprenticed to a carriage maker. In 1849, he joined the rush to California's gold mines by taking the route that sailed around Cape Horn. Flood did not aim to make his fortune by mining gold but instead hoped to sell custom-built carriages to the rich miners. He soon discovered, however, that there was no demand for his carriages. Flood worked for a few months as a carpenter before trying his luck with placer mining in the Yuba River. He had more success than most and returned to San Francisco with $3,000 in gold dust. Flood used the money to buy a farm in Illinois but did not care for farming. He married in 1853 and decided to engage in another enterprise.

FIRST VENTURES

Flood returned to San Francisco in 1854, where he repaired wagons. He went bankrupt in the recession of the 1850's, as did his neighbor, William S. O'Brien. Flood formed a partnership with O'Brien that would continue for the rest of their lives. Having concluded that men drank in good times as well as in bad, they opened a saloon, the Auction Lunch, in 1857.

Flood picked up tips from the stockbrokers who visited his saloon. Flood then studied the stock market, and



James Clair Flood. (The Granger Collection, New York) he and O'Brien made a considerable fortune through speculation by 1868. The two owners sold the Auction Lunch and went into business as full-time stockbrokers. In this capacity, they met two speculators from Virginia City, Nevada, James G. Fair and John William Mackay, who were trying to take over a Comstock Lode silver mine. The four men formed a partnership that would turn them into silver kings. By 1872, Flood had an estimated income in excess of $500,000 a month.

Mature Wealth

Flood celebrated his wealth by buying the most expensive carriage on the market, as well as the handsomest team of horses. He traded his modest house for one that had been owned by John Selby, the former mayor of San Francisco. The Selby house, named Fair Oaks, became the first in a series of mansions that Flood would own. As he continually traded up and spent millions of dollars on each renovation, the silver king captured the attention of San Franciscans. Linden Towers, one of the Flood mansions, long stood as one of Northern California's foremost examples of Baroque architecture. The Floods frequently held dinners, and almost every distinguished visitor to San Francisco stopped at the Flood mansion. Visitors to Linden Towers saw a drawing room finished in carved walnut with walls of embossed velvet, a music room in rosewood and satinwood, and a dining room paneled in English mahogany with ceiling frescoes by an Italian artist. They admired a sixty-foot fountain and an artificial lake stocked with game fishes, as well as a private racetrack.

Flood, who had joined his three silver partners in opening the Bank of Nevada in 1875, believed that wealth brought philanthropic obligations. He sent Christmas checks to San Francisco's orphan asylums and old people's homes. However, he refused to dole out "unearned" cash because he believed these gifts would destroy the recipients' initiative and self-respect. After years of poor health, Flood died of Bright's disease in 1889.

Legacy

Flood's legacy is that of many rich men in America's Gilded Age. He came rather quickly to incredible wealth and spent his money almost as quickly as it came in. To maintain his wealth, Flood periodically manipulated silver stocks and disrupted the economy of the Northern California coast. Contemporary critics blamed him for impoverishing thousands. Flood's life shows the best and the worst of the excesses of his era.

—*Caryn E. Neumann*

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See also: William Andrews Clark; Marcus Daly; James G. Fair; Meyer Guggenheim; George Hearst; F. Augustus Heinze; John William Mackay; William S. O'Brien.

Samuel Fludyer

English textile merchant

Fludyer dominated the West Country woolen-cloth trade in the mid-eighteenth century. He used his wealth to climb the social and political ladder of eighteenth century England.

Born: 1704 or 1705; London, England
Died: January 18 or 21, 1768; London, England
Also known as: Sir Samuel Fludyer, first baronet
Source of wealth: Trade
Bequeathal of wealth: Children

Early Life

Sir Samuel Fludyer (FLUHD-yehr), first baronet, was born in 1704 or 1705 to the London clothier Samuel Fludyer and his wife, Elizabeth de Monsallier. As was the custom, young Samuel was trained in his family's business and did not receive a formal education. In addition to learning the wool textile trade in London, he accompanied the pack trains that moved merchandise between the London merchants and the cloth production areas of the West Country—predominantly the counties of Wiltshire and Gloucestershire. Since he did not come from the upper class, it is not surprising that his early life is poorly documented.

First Ventures

At an unknown date, Fludyer entered an independent cloth-trading partnership with his brother Thomas. The two brothers are listed as "warehousemen" or wholesalers in London directories of the time, but they also received woolen cloth on consignment from manufacturers in their positions as Blackwell Hall factors. (Blackwell Hall was the site of the Woolcloth Exchange.) The brothers sold cloth far beyond London, exporting their trade to other locations in Great Britain and to Britain's colonies in America. As the papers of their business do not survive, many aspects of its day-to-day operations are unknown. Fludyer seems to have been the more important of the two brothers. By 1750, the brothers' credit and economies of scale were so well established that Fludyer's notes circulated as currency in the wool country, and the brothers had become the dominant force in the British wool trade. At the same time Fludyer married Jane Clerke.

Mature Wealth

Such was Fludyer's power as a purchaser that he began to exert control over production, assigning manufacturers to produce specific kinds of cloth at specified prices in a manner unprecedented in the wool trade. He also began to contract directly with dyers rather than sell white cloth which customers would arrange to have dyed. By 1760, he had branched out from his original base in the West Country to Yorkshire, another key area of woolen production. Fludyer also ventured into other areas of business, bidding with several others for a concession for the coal mines at Cape Breton, which Britain had won in the Seven Years' War.

Fludyer's wealth led to political power and influence. He was elected a director of the Bank of England, the central financial institution of the British Empire, in 1753, and he served as the bank's deputy governor from 1766 to 1768. He was also a London alderman, and in 1761-1762 he served as the city's lord mayor, the highest position for members of the city's business elite. In 1754, Fludyer was elected a member of the House of Commons, representing the Wiltshire borough of Chippenham, a major cloth center. Fludyer would promise to supply Chippenham manufacturers with wool and buy their cloth on favorable terms in order to secure their votes. He then used his position in Parliament to support his highly profitable work as a government contractor during the Seven Years' War.

Fludyer moved into England's social, economic, and political elite. His second wife, whom he married on September 2, 1758, was Carolina Brudenell, a niece of the earl of Cardigan. In 1755, Fludyer was knighted, and in 1759 he was made a baronet with a seat at Lee in Kent County. He was reportedly worth £900,000 when he died in 1768.

Legacy

Fludyer's career demonstrated the opportunities for businessmen to advance themselves socially and economically in eighteenth century England. Although Fludyer was not associated with technological advances in cloth manufacture, the enormous scale and centralization of his enterprises helped set the stage for the massive transformations of the textile industry that would take place during the Industrial Revolution. However, as was common during the eighteenth century, his descendants lived as landed gentry rather than carrying on his cloth business.

—*William E. Burns*

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See also: Sir Richard Arkwright; Moses Brown; Francis Cabot Lowell; John Rylands; Samuel Slater.

Henry Ford

American industrialist, inventor, and entrepreneur

Ford established an automotive manufacturing firm that became one of America's most successful businesses in the first half of the twentieth century and was the largest privately held company in the country. During his lifetime, Ford amassed a personal fortune that made him one of America's first billionaires.

Born: July 30, 1863; Springwells Township (near Dearborn), Michigan
Died: April 7, 1947; Dearborn, Michigan
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Relatives; charity

Early Life

Henry Ford was born in 1863 on a farm outside Dearborn, Michigan. Although his formal education was limited, his keen interest in mechanical devices, especially engines, led him at age sixteen to leave home for Detroit, where he obtained an apprenticeship in a factory. Returning to Dearborn a few years later, he worked on farm machinery and ran a lumber business, spending his leisure hours experimenting with the construction of a horseless carriage. In 1891, he married Clara Bryant; two years later she gave birth to their only child, Edsel. Ford returned to Detroit in 1891 to work for the Edison Illuminating Company, rising quickly to become chief engineer of a power substation. His real passion, however, lay in developing a motorized vehicle, a feat he accomplished in 1896 when he successfully tested his Quadricycle on Detroit streets.

First Ventures

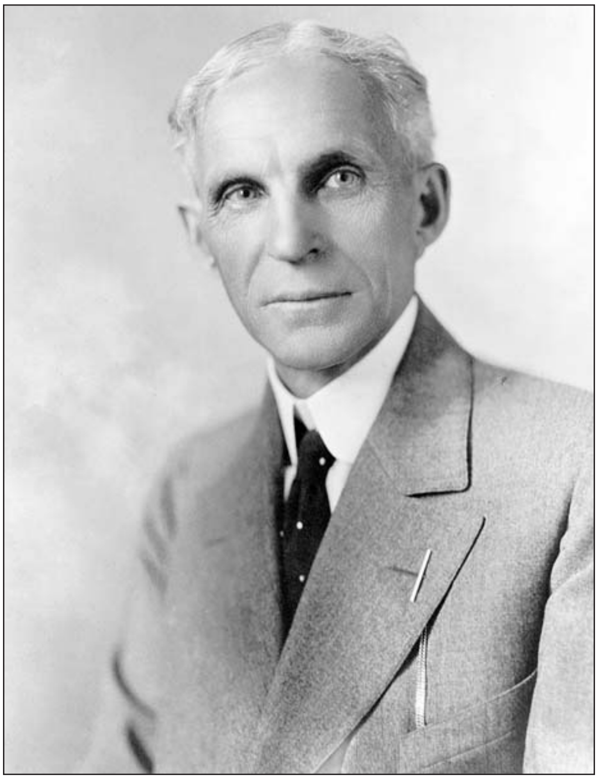
Almost immediately after Ford completed his first prototype vehicle, he began seeking financing to establish an automobile manufacturing firm. Several prominent Detroit businessmen underwrote the formation of Ford's Detroit Automobile Company, which began operating in 1899 but closed down eighteen months later. Undaunted, Ford began building and racing high-performance vehicles, using his success to persuade a new group of investors to create the Henry Ford Company. Unfortunately, that enterprise failed as well, chiefly because Ford was unable to develop a reliable vehicle that could be mass-produced inexpensively. For the next two years, he continued experimenting with chassis and engine design, and in August, 1903, twelve men, including Ford and Andrew Malcomson as principal shareholders, launched the Ford Motor Company. Ford did not invest his own money; instead, he was named general manager at an annual salary of $3,000.

Mature Wealth

The Ford Motor Company was an immediate success, largely because Ford's Model A vehicle appealed to the American public. It was easy to operate and inexpensive, especially when compared to other companies' models. During the next four years, Ford and his team developed additional models, several of which were also well received by buyers. Shrewdly, Ford also created the Ford Manufacturing Company to produce and supply parts for his automobile firm, keeping those profits for himself. In 1906, Ford bought out Malcomson, giving Ford a majority of stock in the Ford Motor Company. He then had virtually free rein to direct the company's future.

Within less than a decade, what was a respectably successful firm among dozens of American automobile manufacturing operations became the dominant company in the industry. Ford's meteoric rise began in 1907 with the introduction of the Model T. Ford's vision was to make a car that most working-class Americans could afford. Over the next two decades, Ford would consistently increase production and reduce the price of this automobile, taking advantage of the Model T's popularity to build a national network of dealerships. Ford was able to produce the Model T efficiently and profitably by developing the moving assembly line, allowing workers to remain at their work stations while partially assembled cars came to them for further work. At the same time, he established a number of innovative labor practices to recruit and retain workers in his assembly plants. The company expanded rapidly to meet demand, constructing a major facility at Highland Park in 1910 and another one at River Rouge in 1915-1919. Between 1907 and 1927, fifteen million Model T's were manufactured.

The profitability of Ford's operation skyrocketed. Company profits in 1909 were approximately $2 million. By 1914, that figure exceeded $16 million; in 1915, the company declared a $60 million dividend. In 1918, some shareholders began to question Ford's decision to reinvest most of the profits from the company into plant expansion. After a lengthy lawsuit and behind-the-scenes negotiations, Ford managed to buy out all the other shareholders. For the next forty years, all Ford stock was held by the Ford family. By 1929, the company was showing an annual profit of $90 million, and it earned a $40 million profit the next year despite the onset of the Great Depression.


Henry Ford. (Library of Congress)

Although precise figures on the value of Ford's holdings were never available, most business analysts agreed that by 1927 his net worth exceeded $1 billion. During this same period he became a popular national figure; at one point, there was even a movement to draft him as a presidential candidate. Admiration for him waned somewhat during World War I, however, when he lobbied to keep the United States out of the conflict, although he did eventually agree to manufacture vehicles for the government. At about this time, he began a series of vicious attacks on Jews, promoting his anti-Semitic ideology in the Dearborn *Independent*, a newspaper he owned for nearly a decade. Ford reached the nadir of his popularity in 1938, when he agreed to accept an award from Adolf Hitler's government.

Although Ford made his son Edsel president of Ford Motor Company in 1919, he continued to direct the corporation's ventures while taking on a number of other projects in which he had special interest. Ford always wanted to control all aspects of automobile manufacturing, so over time he acquired steel mills, lumber and mining operations, a rubber plantation, and various transportation assets. He also began Fordson Tractor in 1910, and at one time or another was engaged in agricultural research, wireless communications, hydroelectric power generation, and housing development. Eventually, Ford's business operations extended to Canada, Mexico, South America, and across Europe. Closer to home, Ford built the Henry Ford Hospital in Detroit from his own funds in 1915, and he supported several educational institutions that aided immigrants and underprivileged children. After World War I, he began collecting antiques and other objects of Americana; to display these artifacts, he created the Edison Institute and Greenfield Village in Dearborn.

Ford was always a hands-on manager, a technique that served his company well in its early years but began to be a liability during the 1920's. By 1923, the Model T, which had captured 40 percent of the automobile market, began to lose market share. Ford had to be prodded to drop this line and produce more modern vehicles in response to competition, especially from General Motors' Chevrolet division. During the 1930's, Ford became something of an absentee director, frequently relying for advice on his close associate Harry Bennett, a former security guard whose high-handed methods of dealing

Ford Foundation

Prompted by a change in tax laws that would have deprived his family of a significant portion of his wealth upon his death, Henry Ford established the Ford Foundation in 1936, and he changed his will so the foundation would receive a substantial share of Ford Motor Company stock when he died. Upon Ford's death in 1947, the foundation obtained stock valued at more than $500 million, making it one of the largest philanthropic organizations in America. Ford's grandson Henry Ford II became chair of a board that included a number of nationally respected business and educational leaders as trustees.

Initially, the foundation supported causes in which the Ford family had a special interest, but after World War II its scope began to widen. Its headquarters was moved to Pasadena, California, and the board began implementing a strategy geared toward social activism, supporting causes such as civil rights and urban planning. In the mid-1950's, the foundation moved its headquarters to New York City. Eventually, the foundation became independent of the Ford family, although Henry Ford II remained a trustee until 1976. From 1966 to 1979, the foundation was led by McGeorge Bundy, a former adviser to President John F. Kennedy, whose strong stance on a number of social issues prompted Ford dealers around the country to complain that the foundation's activities were hurting sales of Ford products.

During the 1950's and 1960's, the foundation's assets grew to more than $3 billion, but a recession and zealous spending dropped its value to $1.5 billion by the mid-1970's. Subsequently, however, the foundation recovered its financial health and continued to support charitable causes worldwide. Foundation funds brought economic reforms to developing nations around the world, improved the lives of the poor, and supported environmental initiatives worldwide. At the same time, sound investments and a growing economy allowed the foundation to improve its finances, so that in 2008 its assets exceeded $11 billion.

with both union organizers and other Ford executives caused great turmoil within the organization. By the outbreak of World War II, the company was losing money on automobile production; however, $6.5 billion in government contracts kept the company afloat during the war when auto production was halted. Ford Motor Company made a major contribution to the war effort by producing jeeps, tanks, trucks, and the B-24 Liberator bomber.

Unfortunately, Ford never provided his company with a strong succession plan. When his son Edsel died unexpectedly in 1943, Ford was required to reassume the presidency of Ford Motor Company. Two years later, prompted by his wife and other family members, he agreed to turn over operations to his twenty-five-year-old grandson. Henry Ford II immediately fired Bennett and restored some order to the company, obtaining managerial assistance from a team of former Army officers who had helped direct logistics for America's expeditions in Europe and Asia during World War II. By the time Henry Ford died in 1947, the company seemed to be returning to prosperity.

Legacy

Throughout his life, Henry Ford kept information about his personal wealth guarded from the public, but estimates place his net worth at the time of his death at a figure exceeding $1 billion, including his homes, investments in various businesses, and a personal bank account worth $26.5 million. To protect this vast fortune from the large inheritance tax that would have been imposed under laws passed in 1933, Ford added a codicil to his will in 1936, dividing up Ford Motor Company stock into two types: Class A stock, 95 percent of the company's total assets, would be transferred to the Ford Foundation at Ford's death; this stock would not provide foundation directors any voting rights within the Ford Motor Company. The remaining 5 percent of stock, designated Class B, was to be held by family members, who would retain the right to direct company operations. In less than a decade after Ford died, however, Henry Ford II and other Ford Motor Company executives decided to convert the company to a publicly owned corporation, although the family retained control of the firm's operations for many more years.

—*Laurence W. Mazzeno*

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See also: Giovanni Agnelli; Walter P. Chrysler; Chung Ju Yung; John F. Dodge; Thomas Edison; Harvey Firestone; Soichiro Honda; André Michelin; Alfred P. Sloan.

Nicolas Fouquet

French aristocrat and government official

Fouquet used his wealth to replenish the royal treasury and sustain the French monarchy. His wealth provided the financial support for seventeenth century artists, writers, musicians, and other talented individuals. He created Vaus-le-Vicomte, the model for Versailles, giving France two magnificent châteaux.

Born: 1615; Paris, France
Died: March 23, 1680; Pignerol, France
Also known as: Nicolas Foucquet
Sources of wealth: Inheritance; marriage; banking
Bequeathal of wealth: Spouse; artistic patronage

Early Life

Nicolas Fouquet (nee-koh-lah few-KAY) was born in 1615 in Paris, France. He was a member of an affluent family belonging to the *noblesse de la robe* (court nobility). His grandfather had been a merchant in Nantes; his father François had risen in rank to be an adviser to Cardinal de Richelieu, prime minister during the reign of Louis XIII. Nicolas was educated by the Jesuits and entered the legal profession at a very young age. In 1628, he was admitted as a lawyer to the parliament of Paris.

First Ventures

In 1636, Fouquet purchased the post of *maître des requêtes*, a court office. In 1641, Fouquet's wealth was already such that he purchased the village of Maincy and the château Vaux-le-Vicomte, located not far from Paris. At the time, the château was small and unpretentious, but Fouquet would later make it the most elaborate home in France.

As a *maître des requêtes*, he belonged to the group of court officers from whom the *intendants* were chosen. *Intendants* were court officials whose duties were to oversee the provincial governments' financial, policing, and judicial activities. Fouquet was first appointed as an *intendant* in 1642 by Prime Minister Jules Mazarin. He held various intendancies from 1642 to 1650. The Wars of the Fronde, the rebellion of a certain faction of the nobility against Mazarin and the young King Louis XIV, broke out in 1648. It lasted until 1653; during this time, Mazarin had to leave Paris and Fouquet not only remained loyal to him but also ensured the safety of his property.

Mature Wealth

In 1650, Fouquet obtained the prestigious and powerful office of *procureur général* (attorney-general) to the Parliament of Paris. The following year, he married Marie de Castille, who also belonged to a wealthy family of the *noblesse de la robe*. The marriage made him the owner of Belle Asize, his wife's estate, and added considerably to his wealth. With the end of the Fronde in 1653, Mazarin returned to Paris. In return for his loyalty and because of his ability, Mazarin appointed Fouquet *surintendant de finance* (finance minister). The combination of the offices of *procureur général* and *surintendant de finance* made Fouquet the most powerful man in France, since he controlled the king's finances and also the judicial court's activity.

The royal treasury had been virtually depleted in 1648; the private investors who had loaned money to the king had not received a profit on their investment and were unwilling to invest more. As prime minister, Mazarin was in desperate need of money to finance the administration, the war with Spain, and the costs

The Vicomte of Bragelonne

Nicolas Fouquet appears as one of the characters in *Le Vicomte de Bragelonne* (1848-1850; *The Vicomte of Bragelonne*, 1857), the third volume of Alexandre Dumas *père*'s three-volume historical romance about d' Artagnan and the king's musketeers. Dumas's novel is set in the 1660's, the time during which Louis XIV was establishing himself as an absolute monarch. It was also during these years that the king arrested and imprisoned Fouquet. The main characters of the novel are d'Artagnan and his three comrades, the musketeers Athos, Porthos, and Aramis. Dumas mixes fact and fiction in his tale. Among a tangle of plots, including efforts to restore the English throne to Charles II, an attempt to place Louis's brother Philippe upon the French throne, and the love affair of Louis and Louise de la Vallière, Dumas weaves into the story the account of Fouquet's downfall at the hands of Louis and his adviser Jean-Baptiste Colbert.

Dumas also involves Fouquet in the intrigue that places Philippe on the throne of France. Aramis is the main conspirator in the plot and kidnaps Louis so that Philippe can become king. Hoping to obtain help from Fouquet, Aramis tells him that he has kidnapped Louis and imprisoned him in the Bastille and that Philippe is now king. Contrary to what Aramis had expected, Fouquet immediately liberates Louis, an action which just happens to take place on the evening of the party Fouquet has thrown for Louis at Vaux-le-Vicomte. Colbert has convinced Louis that Fouquet has stolen money from the royal treasury to build Fouquet's great château and to finance the elaborate party. With no regard for the fact that Fouquet rescued him, Louis has him arrested and imprisoned.

The characterization of Fouquet in the novel reflects his ambition and enormous financial success, as it depicts the party at Vaux-le-Vicomte and both Colbert and Louis's envy of Fouquet. It also reflects Fouquet's almost naïve loyalty to King Louis XIV.

of entertainment and maintenance for the court. Thus, Fouquet's duty as *surintendant de finance* was to raise a large sum of money quickly. Since Fouquet was in charge of both raising the money and prosecuting any financial misconduct, he had a wide-open field in which to generate funds. Fouquet was loyal to Mazarin and the king, but he was also interested in increasing his own wealth. He employed two methods to enlarge his personal fortune. Fouquet negotiated loans using his own property as security. What he was actually doing was borrowing the money himself and then loaning it to the royal administration. He also obtained other loans directly on the security of the state. His techniques were legal and allowed him to make considerable profits. Fouquet was stricken seriously ill in 1658. Unable to perform his duties and raise money by negotiating loans, he sold Belle Asize to provide the funds necessary for the army.

In 1657, Fouquet had begun to renovate Vaux-le-Vicomte. As a member of the *noblesse de la robe*, he had to deal with the fact that his nobility was not inherited. The *noblesse de l'épée* (inherited or old nobility) refused to accept the *noblese de la robe* as their equals; in their opinion, the *noblese de la robe* were and would always be upstart bourgeois who had purchased their titles. Consequently, appearances were very important to Fouquet. He needed to parade his wealth in order to show the old nobility that he lived in the same or in a better manner than they did. Added to this desire, Fouquet actually had an appreciation for beauty and artistic quality. He was very generous in his support of artists and writers, and by 1657 he was extraordinarily rich.

Thus when he began the renovation of Vaux-le-Vicomte, he obtained the services of the very best architect of the time, Louis Le Vau; the very best painter and decorator, Charles Le Brun; and the most talented landscape gardener, André Le Nôtre. The renovations took four years and were not completed until 1661. Once the magnificent château and grounds were finished, the house and other buildings occupied almost one hundred acres of land, with highly elaborated gardens that extended for more than a mile. Vaux-le-Vicomte was the most beautiful and luxurious château in France.

As *surintendant de finance*, Fouquet had performed his duties well. He had replenished the royal treasury and provided funds for the royal administration and for the wars and extravagances of the court. He fully expected Louis XIV to name him prime minister upon the death of Mazarin, who was in failing health. However, Fouquet was to be disappointed in this ambition. Mazarin's private secretary Jean-Baptiste Colbert also had ambitions to become the king's foremost adviser and administrator. Louis XIV, who had been terrified by the Fronde, feared the power of the nobility; for Fouquet to become prime minister was not an eventuality that either the king or the nobles favored. Louis XIV decided to rule personally without a prime minister. As Mazarin's death approached, Colbert began to indicate to the king that Fouquet was not to be trusted.

Although some of his friends tried to caution him in regard to Colbert and the king, Fouquet did not perceive any danger. When the king expressed a desire to visit Vaux-le-Vicomte, Fouquet, who was proud of his château and eager to show it to the king and the nobles, immediately set about arranging a festive party for the king and the court. On August 17, 1661, Fouquet welcomed the king and his entourage to Vaux-le-Vicomte, where he entertained them with a tour of his gardens, a dinner, a ballet-comedy by Molière with music by Jean-Baptise Lully, and an abundance of fireworks. Fouquet entertained six thousand guests at a cost of 120,000 livres. This was the high point of Fouquet's career; he was the richest man in France, and as *procureur général* and *surintendant de finance*, the most powerful.

The magnificence of the château and its gardens and the elaborate festivities only served to intensify Louis XIV's extreme jealousy and hatred of Fouquet. Everything Fouquet possessed and offered totally eclipsed what the king owned. Louis XIV took his council of ministers to Nantes for a meeting. He had already persuaded Fouquet to relinquish his office of *procureur général*. In Nantes on September 5, 1661, Fouquet was arrested by his friend Charles de Batz de Castlemore, known as d'Artagnan, captain of the king's musketeers. The king called for a special court session and had Fouquet tried on charges of theft from the royal treasury. The trial lasted for three years and finally produced a verdict of guilty and a sentence of banishment. Louis XIV commuted the sentence to life imprisonment. Fouquet was sent to the citadel at Pignerol and his wife was exiled. The Crown sequestered all of Fouquet's wealth. Nicolas Fouquet died in prison on March 23, 1680. Vaux-le-Vicomte was eventually returned to Fouquet's wife.

Legacy

Nicolas Fouquet is the most successful example of an ambitious bourgeois who rose in seventeenth century French society. He not only acquired great wealth through his financial expertise but also recognized and appreciated excellence in the work of creative individuals and employed his wealth to assist them. While Fouquet was ostentatious and took pleasure in exhibiting his wealth, he also helped establish standards of good taste, even in excess. His château Vaux-le-Vicomte and its gardens stand as a model of beauty in architecture and landscape gardening. Although Fouquet attained both enormous wealth and power, he always remained loyal to the French crown.

—*Shawncey Webb*

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See also: Samuel Bernard; John Law; Louis XIV.

STEPHEN FOX

British government official, financier, and politician

Fox rose from obscurity to become one of the wealthiest men of his day. His financial savvy enabled the Restoration government of Charles II to function and survive, and Fox continued throughout his life to provide his economic acumen to the British court.

Born: March 27, 1627; Farley, Wiltshire, England
Died: October 28, 1716; Chiswick, England
Also known as: Sir Stephen Fox
Sources of wealth: Government; moneylending; real estate
Bequeathal of wealth: Spouse; children

EARLY LIFE

Stephen Fox was the son of William Fox and Margaret Pavy Fox, one of ten children in the Fox household, most of whom lived to maturity. The concept of family loyalty that Fox developed while growing up in relative poverty remained a strong influence on him throughout his life. He was educated under the auspices of his mother's uncle at Salisbury Cathedral choir school. Although he had no university education, he is believed to have received a gentleman's upbringing, to which was added a sound education in bookkeeping and financial management. He joined his brother John at court and remained there as his brother's helper for two years, informally taking over his brother's office as closet keeper in the chapel at St. James's. From this position, Fox became a page to Lady Stafford, then the countess of Sutherland; the earl of Leicester; and finally Henry, Lord Percy, a favorite of Queen Henrietta Maria, the wife of King Charles I.

FIRST VENTURES

When he was nineteen, Fox became gentleman of the horse to Percy, who was in exile on the Continent. In this position, Fox for the first time publicly demonstrated the money management that would mark the foundation of his wealth. Fox used his time abroad to study foreign languages. When King Charles II joined the exiled queen in France, Fox became associated with his court and traveled with Charles. Fox did not go to Scotland with Charles, but remained in Holland, where he gained a reputation as an accountant who controlled every detail of expenditure. Returning to England, Fox went to work for the earl of Devonshire, helping the earl handle his estate receipts. When the exiled Charles II asked Fox to resume his services in 1653, Fox left Devonshire and returned to France to serve in an impoverished British court, financed by an irregularly paid pension from the French monarch. This movement from certain employment to an uncertain venture marked Fox as a man willing to take risks—either because he remained loyal to the monarchy or because he envisioned a day when Charles's loyal followers would reap the benefits of their support during the king's exile.

MATURE WEALTH

The Restoration of Charles to the British throne brought Fox the opportunities he had anticipated, although not always speedily. Fox earned significant notice because he was the first to tell Charles II of the death of Oliver Cromwell, who had ruled Great Britain during the king's exile. Back in England, Fox expected to obtain a high office as reward for his faithful services to Charles, but like many others he had to accept a lower office and wait until court protocol and the deaths of older officers would allow him to rise. Although Fox apparently wanted the position of cofferer, controlling the money of the royal household, he was offered junior offices, first as the chief clerk comptroller and then as the second clerk of the Green Cloth—stepping stones to senior offices in the royal household. These offices provided small salaries but lucrative perquisites and allowances. Many who held these offices also accepted gratuities; Fox refused these as ungentlemanly and advised his own protégés to avoid them. Fox was also granted an estate for his loyal services.

Fox's career ascendancy and personal fortune began with his position as an informal financial agent, raising and dispensing "secret service"—the term for money that went directly to the royal household instead of being disbursed by the Exchequer (government treasury). Most of these funds were not actually "secret," and they allowed the royal family to have more flexibility in its expenditures than the Exchequer system afforded.

Fox subsequently received the position of paymaster of the king's guards, which led to his ever-greater participation in the financial transactions of the realm. As the officer who paid the king's armed forces, Fox had to engage in considerable planning, for money was not readily available, and a delay in payment might lead to a breakdown in the guards' morale, or even mutiny. Fox demonstrated his ability as paymaster, and as a result received additional responsibilities with regard to funding what was becoming a royal standing army. Fox developed "the

Undertaking" to ensure prompt payment. Using this system, he borrowed substantial sums of money to pay the army, in return receiving interest on these loans until the army's pay was issued by the government, at which point Fox received a small portion of the soldiers' pay. Fox was able to raise money on the scale necessary to finance the king's army because of his personal pledge to stand behind his loans and his reputation for financial probity. Throughout his financial career, although he did make private loans to individuals, much of his wealth came from arranging loans to the government, or, increasingly, directly loaning the government money from his rapidly growing fortune. Fox eventually rose to other positions in the government, culminating in his becoming First Lord of the Treasury, although, to his chagrin, the position of cofferer eluded him. He was able to buy or obtain many positions for members of his extended family. He also served in Parliament.

One of Fox's most enduring legacies was his involvement in founding the Royal Hospital Chelsea, one of many charitable institutions he established or influenced. Fox started acquiring land during the middle part of his career, probably with a view to establishing his sons in estates when they came to a marriageable age. Fox outlived many of his children, however, and apparently at one time despaired of leaving a son to carry on his name. At this point, he made plans to provide for the children and grandchildren of his daughters, at least one of whom he had supported throughout her marriage until her death. Fox's marriage to Christiana Hope, however, provided him with a male heir to inherit the bulk of his estate.

His favorite house, built at Chiswick, was to be his country home. He made the house comfortable with expansive gardens and beautiful furnishings. He retired to Chiswick, where he spent the last years of his life, and there he died in 1716, having become one of the richest men of his time.

THE ROYAL HOSPITAL CHELSEA

The legacy of Stephen Fox is nowhere greater than at the Royal Hospital Chelsea. Although the idea of establishing the Royal Hospital is sometimes attributed to Charles II's mistress Nell Gwyn, the facility was undoubtedly conceived by Charles II, who was well aware of the Hôtel Royal des Invalides founded by Louis XIV in France. The plight of military men who had served Charles and his father was readily apparent throughout the kingdom, as most of the soldiers who were no longer able to serve were released without adequate pensions. These men often were reduced to begging as a means of support, or they remained in the military beyond their ability to perform their duties, thus weakening the armed forces.

Although Charles had the inspiration to build the hospital and proposed its founding in 1681, government money was not readily available. At this point Charles turned to Fox, on whom he had relied in other financial matters, and Fox came up with a means of financing the project. Money was regularly deducted from the army's pay, and Fox allocated some of these funds to the hospital. Charles contributed some of the money that Fox held in "secret service" accounts to the project; these accounts contained funds that were directly disbursed to the royal household instead of being dispensed by the Exchequer (government treasury). Additional funding was raised through donations and by charging fees on military officers' commissions. Fox offered to buy the site on which the hospital would be built. This land was once held by the Crown and was subsequently given to the Royal Society, which had not constructed a building on the property. Fox also loaned money without interest, perhaps as much as £6,000 pounds, for the project.

Charles II set the first foundation stone in February, 1682, and he continued to support the hospital until his death in 1685. Fox guided the project in its initial years, overseeing its building plans, operation, and staffing, as well as providing financial support, and the project was completed under the guidance of the earl of Ranelagh. By the time the hospital admitted the first pensioners in 1692, the military had implemented a pension system. Since more retired military men wanted to live at the facility than could be accommodated, hospital residents were required to surrender their pensions; these residents were called "in-pensioners," while nonresidents were termed "out-pensioners."

The hospital was designed by architect Christopher Wren, and his buildings remained on the site into the twenty-first century. By that time, the hospital site also housed the National Army Museum, and the Chelsea Flower Show had been held on the property every year since 1913. In 2010, the facilities were being renovated and redesigned to meet the needs of twenty-first century in-pensioners.

LEGACY

Stephen Fox was a prudent and honest financier who provided faithful and reliable service, often at risk to his own fortune. He helped establish a more sophisticated financial system for the British government, serving that government during periods of tremendous challenge, including the Restoration and the Glorious Revolution (1688-1689). He used his fortune to help others gain wealth, both by investing money for others and by helping others—including members of his family—embark upon careers in the government. Although he lived well, he was a model of fiscal responsibility both at home and in his government, keeping tight and honest accounts throughout his life.

—*Susan Jones*

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See also: Sir John Banks; James Craggs; Thomas Guy; First Duke of Marlborough; William Penn; William Pulteney.

Benjamin Franklin

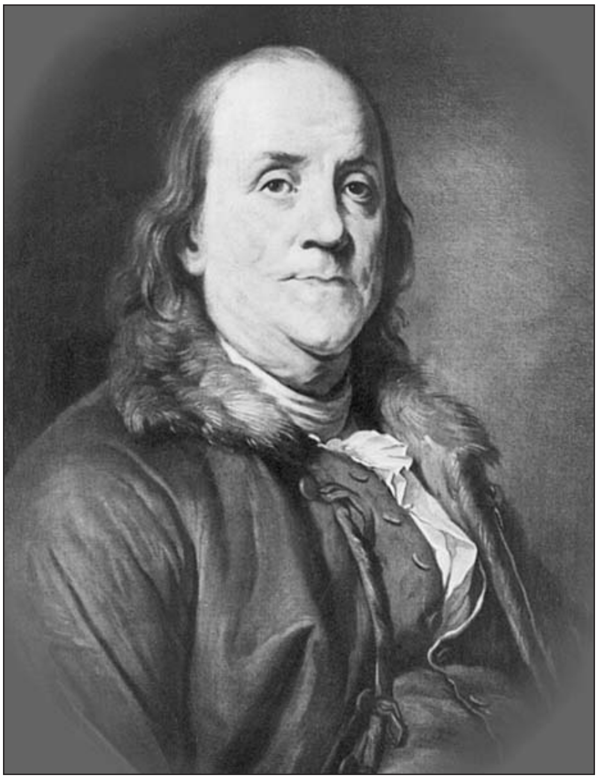
American inventor, author, publisher, politician, and statesman

Franklin described many ways for achieving financial success in his most famous work, Poor Richard's Almanack, *but he mostly identified wealth as the end result of some individual's hard work and thrift. Such aphorisms as "a penny saved is a penny earned" have become so common that few recognize it as a misquote of a popular saying written by Franklin.*

Born: January 17, 1706; Boston, Massachusetts
Died: April 17, 1790; Philadelphia, Pennsylvania
Also known as: Poor Richard; Richard Saunders; Timothy Turnstone; Mrs. Silence Dogood; Harry Meanwell; Alice Addertongue
Sources of wealth: Media; writing
Bequeathal of wealth: Children; educational institution; charity; cities of Boston and Philadelphia

Early Life

Benjamin Franklin was born to Josiah Franklin and Abiah Folger on January 17, 1706, the youngest of ten sons and the fifteenth of seventeen children. Josiah was a tallow chandler (soap and candle maker), but he wanted his youngest son to become a minister and somehow managed to send Benjamin to Boston Latin School for two years before the family's educational funds ran out. This brief schooling nevertheless instilled in Benjamin a love of reading and writing, which, for a time, seemed to suit him for an apprenticeship at his brother James's newspaper, the *New England Courant*. By 1721, however, Franklin was taking more interest in the content of the newspaper than in its production and wanted to contribute his own thoughts to the newspaper's columns. Refused permission to submit a letter for publication,



Benjamin Franklin. (Library of Congress)

Franklin instead adopted the persona of Mrs. Silence Dogood, a wealthy widow, and attached this pseudonym to writings he submitted to the newspaper. Given Franklin's natural bent for literature and language, Mrs. Dogood turned out to be a popular correspondent for *Courant* readers. However, when James found out that Mrs. Dogood was, in reality, his fifteen-year-old brother, he was furious and administered a beating that, quite literally, sent Franklin packing.

First Ventures

Abandoning his apprenticeship, Franklin escaped to Philadelphia with, he often remarked, only enough money in his pockets to buy a few loaves of bread. Franklin relished the change of scene, however. He already knew the printer's trade from his years in his brother's shop, so while he earned his keep working in a printing house, he endeavored to find out if there was sufficient interest in the literary circles of Philadelphia to support another newspaper. An encounter with Pennsylvania governor Sir William Keith encouraged Franklin in his pursuit, but after having traveled to London and seen the cost of presses, ink, and paper, Franklin discovered that Keith had no interest in actually paying for any of the newspaper's expenses. He worked for a time as a typesetter in the Smithfield suburb of London, but he grew despondent and returned to Philadelphia in 1726 under the sponsorship of Thomas Denham, who hired Franklin to be the bookkeeper and clerk in his trade business.

Perhaps because he was temporarily stymied in his desire to run his own publishing company, Franklin founded the Junto, a group of tradesmen and artisans like himself who were interested in reading the great works of literature and discussing the political and social issues of the day. Franklin's impulse to write was stirred by the regular exposure to like minds. Given that books were expensive, the Junto pooled its resources first to jointly store their own books and then to buy books of interest to the group. Always one to provide structure to any system that seemed ill-defined, Franklin wrote out a charter to form the Library Company of Philadelphia and hired Louis Timothee, the first true librarian in America, to look after the expanding collection. A new building, constructed in 1791, formalized the arrangement, which, having no competition for its services, proved to be surprisingly profitable as a subscription library.

Mature Wealth

Loyal to his friend Denham, Franklin was not able to realize his dream of publishing his own newspaper until after the tradesman's death. In 1730, having learned firsthand that he could not count on the nebulous promises of the typical patron, Franklin established the *Pennsylvania Gazette* by himself from his earnings. This newspaper was Franklin's first real success. Just as he had hoped, sales of *Poor Richard's Almanack* (1732-1757) were brisk. The almanac included not only the typical meteorological data available in other farmers' almanacs but also Franklin's brand of folk wisdom, sprinkled liberally with his humorous asides. He consistently sold around ten thousand copies of this work each year it was published, which more than adequately supported Franklin's new common-law wife, Deborah Read, and their children. He even felt comfortably settled enough to provide a home and education for his illegitimate son, William.

The 1740's and 1750's were prosperous times for Franklin. Because of the success of the *Gazette*, he was able to sell newspaper franchises in cities outside Philadelphia. Once financially established, Franklin was free to pursue his many other interests. He was fond of inventing practical items, like bifocals, swim fins, the lightning rod, and the Franklin stove. Partly because he had no need for additional income and partly because of his Puritan upbringing, Franklin never chose to patent his most potentially lucrative inventions. He seemed to consider the free availability of his ideas as being essential for the betterment of society. In a similarly public vein, much of Franklin's later life, concerned with politics and public affairs, became the stage on which his earlier idealism was put into action.

In June, 1749, Franklin became a justice of the peace in Philadelphia, and on August 10, 1753, he was appointed to be joint deputy postmaster general and immediately started instituting postal reforms. By 1757, Franklin had been sent to London by the members of the Pennsylvania Legislature to act as a colonial agent and demand that the Penn family, the colony's titular proprietors, stop interfering in Pennsylvania's internal affairs. Because of this appointment, Franklin's former tolerance of British corruption became strained. In the beginning, although Franklin had suffered many personal disappointments in London, he had Loyalist sympathies of his own. England, in comparison to the more rustic American colonies, was a nexus for culture and literature. He might have even considered living there permanently were it not for the fact that his wife intensely feared travel by ship and would not leave home. These feelings notwithstanding, the colonies' virulent hatred of the Stamp Act of 1765 shocked Franklin and made him reconsider his assumed loyalties.

The Hutchinson affair finally caused Franklin to support America's break from Great Britain. Having been selected by the monarchy to govern Massachusetts, Thomas Hutchinson not only ignored the desire of his constituency to demand Parliamentary representation; he also secretly sent letters to the king requesting the removal of the colonists few "British" freedoms. Franklin had remained in London after his intercession for the Pennsylvania colony failed, acting as a representative for Georgia, New Jersey, and Massachusetts. While in London, he managed to obtain several of Hutchinson's letters and was incensed by their lack of integrity. He subsequently made sure that the letters were brought to America and shown to politically powerful and influential colonists. The English foreign ministry publicly condemned Franklin for stealing the letters.

Back in Philadelphia, Franklin was elected to the Second Continental Congress, working with Thomas Jefferson and the other Framers to draft the Declaration of Independence. In 1776, having signed the politically explosive document, Franklin accepted a post as ambassador to France and the court of Louis XVI.

After a popular term of service in France in support of the newly independent American government, Franklin returned home one last time to Philadelphia, where he died on April 17, 1790, at the age of eighty-four. At his funeral, more than twenty thousand mourners paid their final respects to Franklin, who had left much of his fortune to his daughter Sally Franklin and her husband Richard Bache in recognition of her tender care of him in his old age.

Legacy

Franklin believed that because he owed his wealth and talents to the beneficence of an appreciative public, he needed to actively improve people's lives. For this reason, he refused to patent inventions he believed would benefit society, and he declined to accept a salary for the

Benjamin Franklin Institute of Technology

In 1785, French mathematician Charles-Joseph Mathon de la Cour wrote an essay mocking Benjamin Franklin's wildly popular *Poor Richard's Almanack* called "Fortunate Richard." A parody of American optimism, Mathon de la Cour's Richard donates £1,000 to his hometown, Boston, and the same amount to his adopted home, Philadelphia—a sum of about $4,400. The single caveat for this donation is that it must remain untouched in a trust for five hundred years; both interest and principal could not be disbursed until the end of the specified period.

Although intended as a joke, Franklin was amused and intrigued by Mathon de la Cour's idea. He did, in fact, establish separate trusts for Boston and Philadelphia, each containing the sum of £1,000 and each with the similar restriction that the money be allowed to earn interest for two hundred years before final disbursement. By 1990, the Philadelphia trust contained a sum of more than $2 million, while the Boston trust yielded almost $5 million. In gratitude for such a fortuitously foresighted gift, the city of Boston used Franklin's accumulated donation to establish a school that would be named the Franklin Technical Institute. The institute opened in 1908, and it remained in operation into the twenty-first century, renamed the Benjamin Franklin Institute of Technology. The institute has always been a trade school that focuses on providing a solid, practical education for its attendees.

Philadelphia also used Franklin's delayed donation for public edification. The city appropriated its trust funds to establish the Franklin Institute, a museum that in the twenty-first century presents exhibits about science and technology.

work he performed in some of his political appointments. Similarly, in his will he stipulated that some of his fortune should go to the creation or improvement of educational institutions. Unlike many of the other Founding Fathers, Franklin never sought the presidency. He had an impartial view of American politics and society that allowed him to remain a member of the common folk, even when he was an elder statesman.

—*Julia M. Meyers*

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See also: Moses Brown; Paul Cuffe; Elias Hasket Derby; John Hancock; Robert Morris; William Penn; George Washington.

HENRY CLAY FRICK

American industrialist, entrepreneur, and art patron

Frick embodied the American Gilded Age robber baron in the means he employed to amass his fortune. This image, however, contrasts with the primary use of his wealth, which was collecting art and providing for the museum that displays his collection.

Born: December 19, 1849; West Overton, Pennsylvania
Died: December 2, 1919; New York, New York
Sources of wealth: Steel; investments
Bequeathal of wealth: Children; museum; educational institution; charity

EARLY LIFE

Henry Clay Frick was born in 1849 in West Overton, Westmoreland County, Pennsylvania, where he was also raised. The second of six children of Elizabeth Overholt and John Frick, Frick was named in honor of Henry Clay, the U.S. senator from Kentucky and the leader of the Whig Party. Described as a frail child, Frick was prone to bouts of "inflammatory rheumatism," which left him in a weakened state for extended periods of time.

While considered an average student, Frick excelled in mathematics. For a brief period in 1866, he attended Otterbein College in Westerville, Ohio. His interest, though, was in obtaining the knowledge that would help him attain his childhood dream of being a millionaire before he died. He was inspired by his grandfather, Abraham Overholt, who owned a distillery and was one of the richest men in Westmoreland County.

FIRST VENTURES

While Frick's grandfather was a wealthy man, his immediate family was not. The opportunities available to Frick paid rather modestly, but he was a hard worker, which caught the eye of his grandfather, who offered him a better paying job as a bookkeeper in the distillery. It was not long, however, before his grandfather died, and Frick was once again looking for a job.

He found a new one with a cousin, Abraham Tintsman, who owned coal fields southeast of Pittsburgh, Pennsylvania, and was in the business of producing coke, which is made by baking coal to remove impurities and is used in the production of steel. Only a marginally profitable business at the time, Frick got in on the ground floor of the growing steel industry in the Pittsburgh area. Initially borrowing from his family, who had inherited money from his grandfather, Frick became a partner in Tintsman's business in 1871. Frick's determination and business acumen expanded the business and his share of it.

The recession of 1873 devastated the steel industry, and, in turn, the coke business. However, through his vigilance in keeping costs low and his ties to lenders, such as Thomas Mellon, Frick was able to expand his business during these difficult times and emerge from them with about 25 percent of the nation's coke-producing capacity and much of the best coal. By his thirtieth birthday in 1879, Frick had attained his childhood dream and was worth $1 million.

Mature Wealth

With the expansion of the steel industry in the Pittsburgh area, Frick's coke business continued to grow. Given coke's importance in the production of steel, it seemed natural that the two industries would forge closer ties. Frick's largest buyer was Andrew Carnegie's growing steel empire. In 1882, Frick and Carnegie joined forces, with Frick acquiring an interest in Carnegie's small coke business and Carnegie acquiring an interest in Frick's company. Closer ties between the two companies proved to be very profitable for both but trying for each.

In Carnegie, Frick gained a partner with funds to allow the further expansion of his coke business; with Frick, Carnegie gained a talented businessman with the ability to cut costs and enlarge his steel business. The union of these two self-made men, though, was not always harmonious. In 1887, workers in the coke industry went on strike. Siding with his fellow coke producers, Frick would not give in to their demands. The disruption in coke production idled steel production, which prompted Carnegie, with his now controlling share in Frick's company, to settle with the workers. In response, Frick choose to resign rather than give in to Carnegie's demand for a settlement.

When the strike was finally settled, and the other coke producers conceded to provide a lower wage than the salary Carnegie had agreed to pay, Carnegie found that Frick had been right and wanted to get him back. By early 1889, Frick not only was back running the coke business but also was the chairman of the steel business, which came with a larger share of ownership. With Frick now firmly in control of the management of both businesses, he continued to apply his aggressive strategy of containing costs and buying out competitors when opportunities arose.

As the demand for steel for railroads and construction expanded, Frick's strategy for growth and integration of the various parts of the business proved to be very profitable. By 1891, Carnegie Steel was producing more than 20 percent of the steel in the United States. Growing profits did not lessen Frick's resolve to cut costs when possible. His determination was demonstrated in 1892, when workers went on strike at the Homestead steel mill. Unwilling to continue negotiations with the union representing the striking workers once his offer was rejected, Frick brought in employees of the Pinkerton National Detective Agency to regain control of the mill. When the detectives were confronted by the armed striking workers, the battle that ensued resulted in the deaths of ten people, with another sixty wounded. Ultimately victorious in crushing the union, Frick helped tip the balance in the struggle between labor and management in favor of management.

The growth in profits did not lessen the on-again, off-again tension between Frick and Carnegie. With Frick resigning as chairman of Carnegie Steel in 1894 and Charles M. Schwab in charge and adding to the profitability of the company, the relationship between Frick and Carnegie continued to deteriorate. Following an unsuccessful attempt by a group that included Frick to buy Carnegie's share of the business, and continued tensions between Frick's coke company and Carnegie's steel company over the price of coke, Carnegie in 1900 attempted to use a provision of the partners' agreement to force Frick to sell his shares of the business at book value, only a fraction of the market value. Frick triumphed in the fight that followed, and all the partners profited when J. P. Morgan bought Carnegie Steel and integrated it into the newly formed United States Steel Corporation (better known as U.S. Steel) in 1901.

Frick's share of the new company amounted to $61.4 million, of which about half represented his share of Carnegie Steel and the remainder his share of the coke company. This amount was significantly more than the $1.5 million that Carnegie offered for Frick's shares in the steel company when he had tried to force him to sell.

In the years before his death, Frick sold off nearly all of his shares in U.S. Steel to buy interests in railroads, which he referred to as the "Rembrandts of investment."

FRICK COLLECTION, NEW YORK CITY

Inspired by the Wallace Collection in London, which Henry Clay Frick first visited with Andrew Mellon in 1880, and by Isabella Stewart Gardner's activities at Fenway Court in Boston, the Frick Collection is the lasting legacy of Frick's passion for collecting art. Frick bequeathed 131 paintings and numerous drawings, prints, and decorative objects to establish a public gallery after his death. Housed in the collector's New York City mansion on Fifth Avenue at Seventieth Street, the museum showcases Frick's excellent taste in fine art and his personal preferences in acquiring works. Frick's move to New York in 1905 was, in part, a result of his desire to move his growing art collection out of Pittsburgh, with its soot-filled air.

Frick first began to collect art in the early 1880's, purchasing a clock designed by Louis Comfort Tiffany and a landscape painting by local artist George Hetzel for his Pittsburgh apartment. Like most of America's captains of industry during the Gilded Age, as his wealth increased, his tastes turned mainly to the Old Masters, with a focus on Italian, French, English, Spanish, Flemish, and Dutch art of the sixteenth through eighteenth centuries. He began to acquire such works beginning in the mid-1890's, purchasing paintings primarily from established dealers, Roland Knoedler and Joseph Duveen in New York.

Like many of his era, he sought and followed the advice of famed connoisseur Bernard Berenson. However, unlike some of his peers, who collected art only as a symbol of their cultural "arrival" or as an investment, Frick approached his hobby with a deep personal interest, asking to have works sent to his mansion "on approval" so he could live with them and see how he liked them prior to finalizing a purchase. Many of the works in his collection served as visual reminders of important events, places, or people in Frick's life, such as his daughter Martha, who died at a young age, which had a profound impact on him.

Among the highlights of the collection are Diego Velázquez's painting of Philip IV of Spain; works by Giovanni Bellini, El Greco, Agnolo Bronzino, Rembrandt, Jan Vermeer, and Sir Joshua Reynolds; and a room from Grasse, France, decorated by French rococo-style painter Jean-Honoré Fragonard with a series of panels depicting *The Progress of Love*, which once belonged to J. P. Morgan. The latter purchase was especially fitting, as Fragonard's work is also among the highlights of the Wallace Collection. However, Frick also exhibited more progressive taste in art, purchasing works by Édouard Manet and Edgar Degas and amassing a notable collection of works by American expatriate James McNeill Whistler.

In addition to the legacy of his own collection, Frick also influenced his younger friend from Pittsburgh, Andrew Mellon, to collect art, personally introducing him to the dealer Joseph Duveen in Manhattan. Mellon's collection is today the centerpiece of the National Gallery of Art in Washington, D.C., and reveals the same excellent taste and eye for quality exhibited by his mentor.

By 1906, Frick was the largest private owner of railroad stocks in the world.

At the time of his death in 1919, Frick's estate was estimated to be worth nearly $150 million, with financial assets valued at $77.5 million and his art collection at $50 million. His New York City home and $15 million were destined to become the Frick Collection, the museum that in the twenty-first century continued to house a substantial part of his art collection. In addition, about one-sixth of his estate went to family members, with his daughter Helen Clay Frick the major beneficiary. The remainder of his estate was distributed to Princeton University, Harvard University, the Massachusetts Institute of Technology, a number of hospitals in the New York City and Pittsburgh areas, and various other public philanthropies.

LEGACY

The name of Henry Clay Frick is associated with the means he used to acquire his wealth and the institution he endowed to display it. In his legal but ruthless dealings with labor and competitors, Frick's business life helped define the term "robber baron." In the final year of his life, he played a role in the defeat of the League of Nations, which he felt would subordinate the United States to the will of lesser countries. The Frick Collection stands as his most enduring legacy, displaying the passion he had for art and his desire to share it with the public.

—*Randall Hannum*

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See also: Andrew Carnegie; Isabella Stewart Gardner; Alfred Krupp; Andrew Mellon; J. P. Morgan; Henry Phipps; Charles M. Schwab; Joséphine de Wendel.

Archduke Friedrich of Austria

Austrian aristocrat and military leader

A member of the house of Habsburg, Archduke Friedrich was reputed to be the wealthiest Habsburg from a junior line of the dynasty. His wealth derived from land, investments, palaces, and an extensive art collection.

Born: June 4, 1856; Brno, Moravia (now in the Czech Republic)
Died: December 30, 1936; Ungarisch-Altenburg (now Mosonmagyaróvár), Hungary
Also known as: Archduke Friedrich of Austria; Duke of Teschen
Sources of wealth: Inheritance; real estate; investments
Bequeathal of wealth: Children; confiscated

Early Life

Archduke Friedrich (FREE-drihk) of Austria, duke of Teschen, was born at the Castle Gross-Seelowitz in the Moravian kingdom of the Austrian Empire. Friedrich was the eldest son of Archduke Karl Ferdinand and Archduchess Elizabeth Franziska of the Teschen line of Habsburgs descended from Karl, the first duke of Teschen, a younger son of Holy Roman Emperor Leopold II. Friedrichs' mother was the daughter of Archduke Ferdinand of the Habsburgs' Italian Modena line. His only sister, Maria Christina, married King Alfonso XII of Spain and was the mother of Alfonso XIII. His younger brothers were Eugen, a military officer and the leader of the Teutonic Knights, and Charles Stephan, a naval officer and landholder in Austrian-ruled Poland.

First Ventures

Archduke Friedrich was educated by private tutors and pursued a career in Austria's imperial army. He married Princess Isabella of Croÿ, who was from an aristocratic Belgian family, on October 8, 1878. The couple had eight daughters and one son. The death of Friedrich's uncle, Albrecht, duke of Teschen, in 1895 gave Friedrich and his brothers vast estates throughout the Austro-

Archduke Friedrich of Austria. (Hulton Archive/Getty Images)

Hungarian Empire. As the eldest son, Friedrich inherited extensive landholdings at Ungarisch-Altenburg (now Mosonmagyaróvár), Hungary; Belleje and Saybusch (now Żywiec), Poland; Seelowitz (now Židlochovice) and Frýdek-Místek, now in the Czech Republic; and Pressburg (now Bratislava), now in Slovakia, making him one of the largest landowners in the Austro-Hungarian Empire. Friedrich was given his uncle's Vienna residence, the Albertina Palace, with its extensive art collection. Their dynastic status and financial wealth positioned Friedrich and Isabella to pursue advantageous marital alliances for their children.

Mature Wealth

With six marriageable daughters (two died in infancy), Archduchess Isabella hoped to marry her eldest daughter, Maria Christina, to Archduke Francis Ferdinand, the nephew and heir to Emperor Francis Joseph I of Austria. The plan backfired when Francis Ferdinand married Isabella's lady-in-waiting, Countess Sophie Chotek, in 1900. None of Isabella's daughters achieved a major dynastic alliance. The family's political ambitions were directed toward the future of their only son, Archduke Albrecht.

The assassination of Francis Ferdinand and Sophie in 1914 resulted in the outbreak of World War I and led Emperor Francis Joseph I to appoint Friedrich the supreme commander of the Austro-Hungarian army. Friedrich was promoted to the rank of general field marshall on December 8, 1914. Friedrich's appointments were viewed as ceremonial, with the actual control of the battlefield in the hands of Franz Conrad von Hötzendorf, chief of staff of the Austro-Hungarian army. Emperor Karl I took over as supreme commander in February, 1917.

Legacy

The collapse of the Austro-Hungarian Empire in November, 1918, led to the empire's dissolution into the kingdom of Hungary and the republics of Poland, Czechoslovakia, and Austria, as well as the confiscation of much of Archduke Friedrich's wealth. Austria seized the Albertina Palace and its art collection, eventually permitting Friedrich to remove the palace's furnishings. In 1921, an American syndicate gained control of Friedrich's confiscated property, which had an estimated worth of $200 million. The syndicate argued that this property was private, not state property associated with the former imperial family. It remains unclear how much Friedrich ultimately received from the syndicate's transaction. In 1929, Czechoslovakia reached an undisclosed financial settlement with Friedrich over confiscated land; Hungary permitted the archduke to retain control over his lands there. The furnishings of the Albertina Palace were removed to Friedrich's estate at Mosonmagyaróvár.

Since Hungary was a kingdom without a designated king, Friedrich and Isabella used their financial resources to promote their son Albrecht for the throne. Their plans dissolved when Albrecht made a nondynastic marriage in 1930. Isabella died in 1931 and Friedrich in 1936. His funeral testified to his once influential and financially powerful position, with the largest assemblage of international royalty attending an event in Hungary since World War I. What remained of his Teschen estates was divided among his surviving children, with Albrecht receiving the largest share.

—*William A. Paquette*

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See also: Nikolaus Esterházy.

Jakob Fugger

German banker and merchant

Fugger created the most famous and wealthy family merchant enterprise in Europe in the early sixteenth century. Through his banking system, he established a close financial relationship with the Habsburg rulers, who allowed him to gain a monopoly on the copper and silver trades. His money helped elect German emperors and archbishops and allowed him to establish an Augsburg settlement for the working poor.

Born: March 6, 1459; Augsburg, Bavaria (now in Germany)
Died: December 30, 1525; Augsburg, Bavaria
Also known as: Jakob the Rich; Jakob Fugger II; Jacob Fugger
Sources of wealth: Banking; trade
Bequeathal of wealth: Relatives; charity

Early Life

Jakob Fugger (YAHK-ob FUHG-ehr) was born on March 6, 1459, in the free imperial city of Augsburg, Germany. He was the seventh and youngest son of Jakob Fugger the Elder and Barbara Basinger and the grandson of Hans Fugger, a weaver. Hans moved to Augsburg in 1367 and nine years later became a weaver guild master and subsequently a merchant. His two sons, Andreas and Jakob the Elder, carried on the family trade and worked together for almost two decades. After they separated in 1454, Andreas's son eventually went bankrupt, while Jakob the Elder founded a prosperous family textiles business. After Jakob the Elder's death in 1469, his ten-year-old son Jakob prepared for an ecclesiastical career, and he later took his first orders in a Franconian monastery. After all but two of his brothers died, Jakob was recalled from the monastery to join the family business in 1478.

First Ventures

Textile trade and production was the key to Augsburg's wealth in the fifteenth century. Locally produced linen was combined with cotton imported from Venice to produce a mixture called *Barchent*. After the death of Jakob the Elder, who was the seventh-richest man in Augsburg, his oldest son Ulrich and his widow continued the family business. In 1478, the surviving sons Ulrich and Georg introduced Jakob the Younger to the family business and sent him to be apprenticed in Venice and Rome. In 1479, Jakob returned to Augsburg and was put in charge of the firm's Italian trade, and during the next two years he traveled to the various branches of the firm. Most important for the future development of the Fugger fortune, by the mid-1480's he was urging the firm to take part in the iron, silver, and copper mining trade in Salzburg and Tyrol (a region in the Alps that is now part of Austria and Italy).

Mature Wealth

Trade in woven goods, silks, and velvets continued to be important to the Fugger business, but far more valuable for the massive expansion of the firm's wealth was its involvement in credit and mining operations. While Jakob's older brothers proposed some of the firm's credit transactions with Rome and the Habsburgs, the successful and astonishingly profitable trade in copper and silver resulted from Jakob's initiatives. He was the driving force behind the Fugger exploitation of the copper and silver production in central and Eastern Europe. Until the 1550's, when the Spanish American mines produced significant amounts of silver, Tyrol and Hungary had the largest silver and copper mining production facilities in Europe.

Banking and mining were closely interwoven, since the Fuggers obtained mining interests and general support from rulers in exchange for loaning these nobles money. The Fuggers had had mining interests in Salzburg since 1480, but Jakob in 1485 was instrumental in directing the firm into the precious metal trade in Tyrol. On December 5, 1485, the Fuggers entered into a business arrangement with Count Sigmund of Tyrol, who was deeply in debt because of his war with Venice. The Fuggers quickly gained control of most of the silver trade in Tyrol. Jakob, who was considered the representative of the firm in Tyrol, played a crucial role in protecting the firm's metal interests in the region after Count Sigmund was forced to give up his throne on March 16, 1490. A secret Fugger financial arrangement with Sigmund's successor as ruler of Tyrol, the Habsburg emperor Maximilian I, protected the firm's interest in the region.

Between 1487 and 1497, the Fuggers earned more than 400,000 gold gulden from the silver trade in Tyrol. In 1522, Jakob expanded his silver and copper trade in the region by obtaining and directly exploiting mining properties. The symbiotic relationship between the Fuggers and the Habsburg rulers was crucial for the welfare of the Fugger firm over the next four decades and it was

THE FUGGEREI ENCLAVE

Jakob Fugger established three foundations—two for religious institutions and the third, the Fuggerei, for the working poor. The Catholic religious foundations—a chapel in St. Anna Monastery and a sermon fund for St. Moritz Church in Augsburg—were lost to the Protestants, but the housing project, the Fuggerei, survived the Protestant Reformation in Augsburg and continued the memory of the Fuggers.

On February 26, 1516, Jakob purchased property from a widow on the outskirts of Augsburg. At the same time, he made a contract with the city council which mentioned the housing foundation. He (and his heirs) agreed to pay taxes for the settlement area, but he was given tax relief on the structures he built and improved in that space. In an additional stipulation, the housing project was never to be under the control of the church.

Between 1517 and 1523, fifty-two single-story row houses were constructed. Forty-three houses were duplexes, with one family living downstairs and another upstairs. Each family had a living space of forty-five square meters. With one exception, all had backyard gardens where residents could keep small animals.

In 1521, Jakob issued a document establishing rules for the settlement. The housing project was designed for citizens of Augsburg who were pious Catholics and poor workers or artisans. The residents could not be welfare recipients. Each family was obligated to pay one gulden rent a year, which was equal to the monthly salary of a day laborer. The tenants signed a written commitment to pray daily for Jakob and his family; unlike residents of medieval poor houses, Jakob's tenants prayed in the privacy of their homes. A caretaker, whose residence was the gatehouse of the settlement, was hired to maintain the buildings. The settlement was administered by two male members of the Fugger family and two men selected from outside the family. In a subsequent testament in 1525, Jakob obligated his nephews to maintain the homes.

In 1531, Alexander Berner first referred to the settlement as "the Fuggerei." The settlement had a wider range of residents than traditional housing for the poor, which accommodated only old men or widows. Moreover, it provided more than the traditional one room by offering three rooms to a family, and each family had its own entrance. Most of the inhabitants were artisans or day laborers with families. Jakob's motive for establishing the Fuggerei was both religious and social. The project aimed to help hard workers and their families who were "house poor."

On February 25, 1944, Allied bombers destroyed half of the original homes and damaged the rest. In 1946, reconstruction began with the support of the original foundation capital, and during the next five years much of the facility was rebuilt and modernized, eventually becoming an old-age settlement limited to married couples and widows.

The housing complex continues to operate into the twenty-first century. Residents must be Catholic, at least fifty-five years old, and have lived in Augsburg for twenty years, and they are required to pray. The original Latin inscription at the entrance of the Fuggerei continues to pay homage to Jakob and his brothers, Ulrich and Georg.

fundamental to the Habsburgs' European political ambitions. In 1519, Jakob bribed the German electors to ensure the election of the Habsburg ruler Charles I of Spain as Charles V, Holy Roman Emperor.

Jakob's business ventures in Hungary proved to be even more profitable than those in Tyrol. Exploiting the rich copper mines in Slovakia (then part of Hungary) required both technical knowledge and vast investments. Jakob established a relationship with a Hungarian mining specialist, Johann Thurzo, who had leased several mines near Neusohl, Hungary (now in Slovakia) and was able to extract water from the mines. In 1495, Jakob organized a Fugger-Thurzo consortium to mine and trade the Hungarian copper and silver. To cement the business arrangement, Thurzo's son and daughter married members of the Fugger family. The mined copper was later sold as sheets and plates, while the silver went to the Hungarian mint, Venice, Nuremberg, and Leipzig. The Hungarian operations were immensely profitable, earning a total of 1.5 million gold gulden. When the Imperial Diet of Germany attempted to charge the Fuggers with illegal monopoly practices, the Habsburg rulers Maximilian I and Charles V protected the family firm. On May 13, 1523, Charles V issued a mandate from Toledo, Spain, declaring that the concentrated wholesale trade in ores was not a monopoly.

In 1494, Ulrich, Georg, and Jakob pooled their capital and formed a family trading partnership, granting equal rights to all of the brothers. In honor of the oldest brother, the firm was named Ulrich Fugger and Brothers of Augsburg. In 1502, when the contract was renewed, Jakob emerged as the clear leader of the partnership. After the death of his last surviving brother in 1510, Jakob on December 30, 1512, negotiated a contract with his nephews and renamed the firm Jakob Fugger and Brothers' Sons.

In addition to his metal trade, Jakob continued to profit from the transfer of church funds from Germany to Rome. Jakob also obtained financial interests in Spain from Charles V. Between 1511 and 1527, the income of the Fugger family firm increased by 927 percent. Jakob used some of his wealth to acquire vast landholdings, and in 1511 and 1514 he was granted titles of nobility from the Habsburg emperor. His marriage to Sybille Artzt in 1498 lasted for almost three decades but the couple did not have any children. Suffering from a growth below the navel and realizing that little time was left, Jakob wrote his last will on December 22, 1525, naming his nephew Anton as his successor as the head of the Fugger family firm. Jakob died on December 30, 1525, remaining true to the Catholic faith in an increasingly Protestant Augsburg.

Legacy

In 1460, the Medici Bank of Florence was the most influential business organization in Europe. One century later, the Fugger firm had replaced the Medici as Europe's largest firm. These capitalists of the Renaissance played a key role in the economic expansion of Europe in the fifteenth and sixteen centuries. However, after the death of Anton Fugger, the Fugger commercial fortune declined and eventually vanished when the bankrupt Habsburgs defaulted on their loans. The Fuggers became titled landlords.

The prosperity of central Europe during Jakob's lifetime was undermined by the religious conflict between Catholics and Protestants. Jakob inadvertently contributed to this conflict by financing the election of Albrecht von Brandenburg as archbishop of Mainz. In order to recoup Jakob's investment, the pope increased the sale of indulgences and allowed the Fuggers to collect half of this income, a decision that unleashed the fury of Martin Luther and his followers. After Jakob's death, Augsburg became a Protestant city.

—Johnpeter Horst Grill

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See also: Agostino Chigi; Francesco Datini; Lorenzo de' Medici; Jacopo de' Pazzi; Filippo Strozzi; Bartholomeus Welser.

ERNEST GALLO

American vintner

The son of Italian immigrants, Gallo was the driving force and business genius behind the wine company that he founded with his brother Julio. From the cheap Thunderbird to wine coolers to expensive imports, the E. & J. Gallo Winery shaped wine tastes in contemporary America.

Born: March 18, 1909; Jackson, California
Died: March 6, 2007; Modesto, California
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Children; medical research

EARLY LIFE

Ernest Gallo (EHR-nehst GAL-loh) was born in 1909 in Jackson, California, the first of three sons of Italian immigrants Giuseppe "Joe" Gallo and Assunta "Susie" Biano Gallo, whose parents ran a family winery. After a five-year separation provoked by Joe's violence, Susie and Joe reconciled and the family moved to Oakland, where Joe ran a small wine company, a retail liquor business, a saloon, and a hotel. When Prohibition neared, Joe sold his businesses and bought vineyard property in Antioch, California, anticipating that raising and selling wine grapes would remain a legal activity. Ernest and his younger brother Julio were forced to work from sunrise to after dark in the vineyards, attending public schools in the middle of the day. During Prohibition, Joe became involved in various bootlegging schemes with his brother, Michelo (Mike), a flamboyant hustler who served several prison sentences.

In 1925, after purchasing forty acres in Modesto, California, that would become the enduring home base of the Gallo family, Joe went into the grape shipping business. Ernest accompanied his father and the wine shipments to the Chicago exchange. The teenager immediately plunged into selling and demonstrated his abilities as a shrewd businessman. He returned to high school, graduated with honors, and enrolled in agricultural courses at Modesto Junior College. In 1927, Ernest went to Chicago alone, delighted with his new responsibilities and independence, for his father still bullied him at home.

FIRST VENTURES

In 1929, Joe built underground tanks to save his harvest, essentially starting a winery, which was illegal. He shipped wine under the legal "juice" label. Ernest wanted to partner with his father but was rejected. Another source of tension was Joe's treatment of his youngest son. Born in 1919, Joe, Jr., was his father's favorite and suffered none of the abuse leveled at the two older boys.

In 1930, Ernest announced his plans to enter the wine business after Prohibition was repealed and to marry Amelia Franzia, the daughter of a wealthy winery owner. The couple spent their honeymoon at the 1931 grape market in Chicago. Anticipating the December, 1933, repeal of Prohibition, Ernest filed an application to open a bonded wine storeroom, but the petition was denied because he did not own a bonded winery. That same month, Joe and Sallie were found dead of gunshot wounds at the run-down home in Fresno to which they had moved suddenly and secretly months before. Officially the deaths were recorded as murder-suicide, but there was speculation then and later that the Gallos had been ordered killed by the syndicate. The older brothers became guardians of young Joe, Jr., and Ernest imposed a code of silence on the family regarding the shocking deaths.

Twenty-four-year-old Ernest was granted permission to continue his father's business. He and his brother Julio formed a partnership, the E. & J. Gallo Winery, excluding Joe, Jr. During an interview with an inspector from the Bureau of Alcohol, Tobacco, and Firearms, Ernest claimed he did not know Mike Gallo, an uncle who was serving a prison sentence for bootlegging, later amending his statements to say that Mike "had been removed from us as a relative." With a craving for respectability and a knack for revisionist history, Ernest moved forward with his grandiose plans to build Gallo into the largest winery in the state and then the nation.

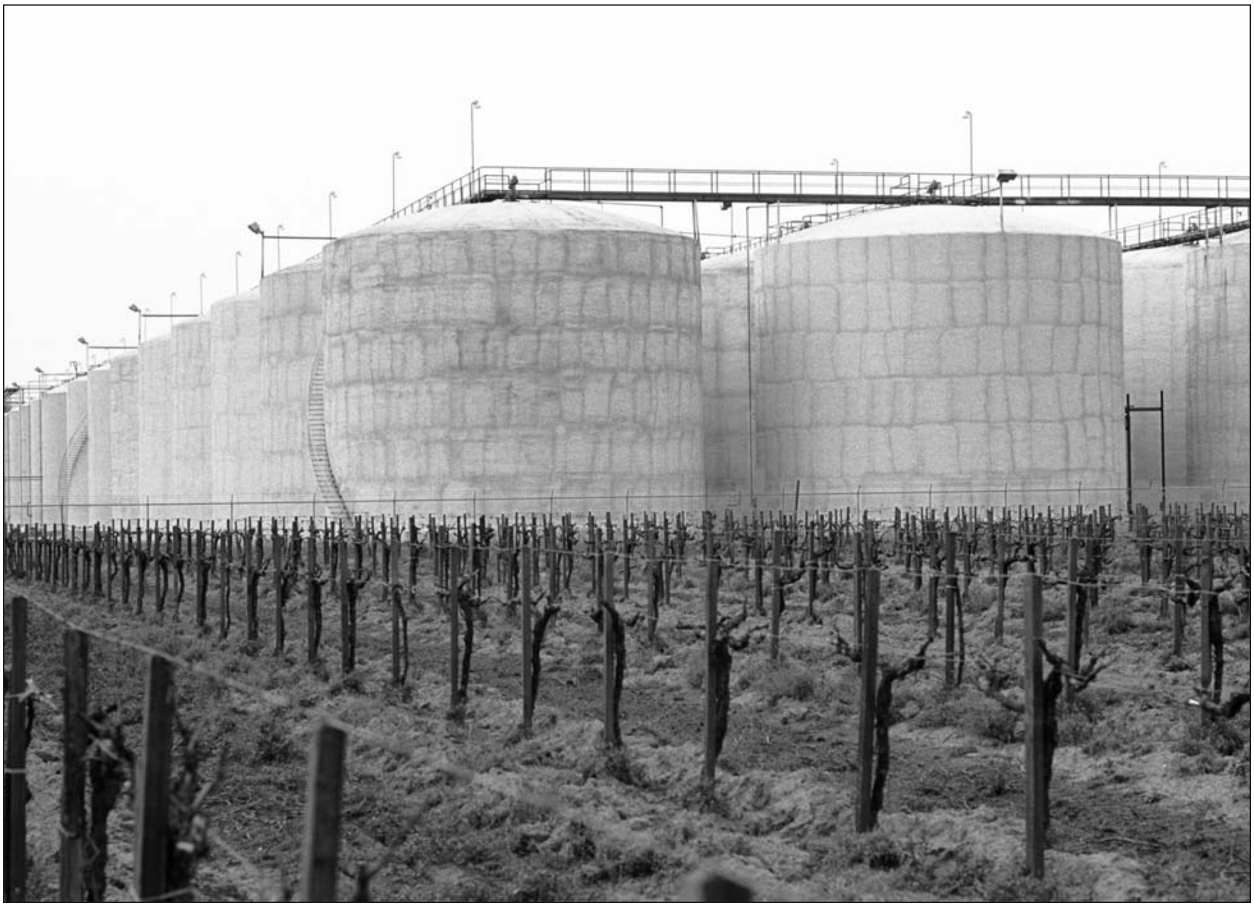
By 1935, the Gallo winery was producing an annual yield of 350,000 gallons. Ernest sometimes traveled five months at a time, working grueling hours and expecting others to do likewise. In the winter of 1936, he was hospitalized for exhaustion; his six-month hospital stay became one of many Gallo secrets. After his convalescence, Ernest returned with his typical vigor, adding a distillery, expanding production to a full array of sweet, fortified wines and table wines, and purchasing a distribution company in New Orleans, making it the first Gallo-controlled distributor. The entrepreneur was determined to learn how to build, market, and sell a brand. He spent the winter of 1940-1941 interviewing businessmen; from these contacts Ernest devised an intensive and carefully structured sales program that broke new ground in marketing strategies. In March, 1942, Ernest applied for the first trademark Gallo name and claimed it had been used continuously by his family since 1909. Company restructuring papers filed in 1944 listed the winery's capital stock at $500,000, with the home and vineyards valued at $760,000. A division of labor had been set, with Ernest in charge of sales and marketing and Julio supervising the vineyards, the laboratory, and wine production. Their oft-repeated boasts that Julio would "make all the wine you can sell" and Ernest would "sell all the wine you can make" made the arrangement public.

Mature Wealth

After World War II, the brothers developed lighter wines sold with aluminum screw-tops to ensure consistent taste. In the 1950's and 1960's, the Gallos used a huge blending vat to create a uniform blend, making the wine's vintage irrelevant. By the early 1950's, the Gallo winery was America's largest winemaking facility. A light, mellow, red table wine called Vino Paisano di Gallo, sold in a rounded jug bottle, was Gallo's signature product. A bottling plant built in Modesto added to the company's vertical integration pattern.

A micromanager, Ernest demanded full loyalty from his employees, and all middle management reported directly to him. The "three Rs" of Gallo salesmanship, described by one writer as "rigorousness, relentlessness, and ruthlessness," summarized Ernest's approach. In the summer of 1957, Gallo introduced a flavored, fortified wine called Thunderbird that sold for sixty cents a quart. It became an instant hit, especially in poor, urban neighborhoods, and its success pushed production levels to thirty-two million gallons that year. Several years later, Gallo developed Ripple, another low-end product popular with college students.

Although hugely profitable, these street wines undercut Ernest's desire to be seen as a respectable, discerning



Wine storage tanks at the Gallo Winery in Modesto, California, in 1972. (©Bettmann/CORBIS)

The Ernest Gallo Clinic and Research Center

In 1980, Ernest Gallo, cofounder and co-owner of the E. & J. Gallo Winery, provided a $3 million endowment to establish the Ernest Gallo Clinic and Research Center at the University of California, San Francisco. The facility was founded to investigate the effects of alcohol on the brain and to conduct research in other aspects of neuroscience. The founding director of the clinic and center, physician Ivan Diamond, developed a cellular and molecular biology research program to study the fundamental mechanisms of alcohol. In the late 1990's, after carefully scrutinizing the facility's program, California lawmakers made a major financial allocation to the center. These funds enabled the center to expand its staff and facilities. In 1999, the center moved to a newly built space in Emeryville, California.

The second director, Raymond White, joined the center in 2002. White, an expert in human genetic mapping, and his colleagues in the human genetics laboratory developed large sets of genetic data from which they could identify key components of susceptibility to alcoholism. Under White's leadership, the center's mission to translate scientific discoveries into clinical applications had been strengthened.

By 2009, the center had grown to employ a staff of more than 155 in its Emeryville location. Facilities included major laboratories in cell biology, biochemistry, molecular biology, pharmacology, neurophysiology, behavioral pharmacology, and physiology, as well as in invertebrate, mouse, and human genetics. The center had expanded beyond its initial research in alcoholism to study the effects of substance abuse. In addition to its research mission, the center's goal is to play an important part in the development of new and more effective therapies to treat the serious national health problems of alcoholism and substance abuse.

vintner. He launched a "Beautiful Wines" campaign, featuring Gallo's first champagne, Eden Roc, in 1966, as well as "Gallo's Gourmet Trio": Hearty Burgundy, Chablis Blanc, and Pink Chablis. Delighted to be featured with his brother on the cover of *Time* in 1972, Ernest was dismayed by the story's emphasis on Gallo's "pop wine." In an effort to change the company's image, Ernest also began hiring executives with master's degrees in business administration and experience in consumer sales.

The 1970's began with enormous expansion and a stream of successful new products. However, the company suffered from the national boycott against Gallo wine that César Chávez, leader of the United Farm Workers, began in 1973 because of Gallo's support of the International Brotherhood of Teamsters. In February, 1974, 100,000 people marched on the Gallo "temple" in Modesto to protest the company's policies. Chávez finally terminated the boycott in 1978. During this same period the winery was investigated by the Federal Trade Commission (FTC) for alleged intrusion into distributors' business and alleged illegal practices by its sales force. The FTC ordered monthly inspections of Gallo records in order to monitor company activities. Sales leveled during the tumultuous 1970's, but by 1981 Gallo led nationally in wine sales, shipping 131 million gallons.

Ernest increased his involvement in politics. During 1989 and 1990, the Gallo family contributed more to federal candidates ($294,110) than any other American family. While his sons attended Norte Dame and Stanford Universities, Ernest gave large gifts to each school. He also provided a $3 million endowment to establish a clinic and research center in his name at the University of California at San Francisco.

In 1983, Ernest and Julio's younger brother, rancher Joe Gallo, Jr., launched Joseph Gallo Cheese Company. After a series of unresolved negotiations regarding the use of the Gallo name on these cheese products, Ernest and Julio filed a complaint against Joe and his son Mark, who was co-owner of the company. Joe and Mark countersued to obtain one-third of the winery's ownership, which was valued at more than $200 million. Litigation continued for several years until a final injunction enjoined Joe and Mark from using the Gallo name as a trademark. The brothers remained estranged for the rest of their lives.

In the early 1990's, the winery expanded its vineyard properties, which would eventually encompass ten thousand acres, and continued its pattern of buying grapes from independent growers. New Gallo vintage-dated varietals and premium wines were introduced, increasing the Gallo share of the premium market. The company ranked number one in sales, with an estimated 4.3 million cases sold in 1991, but the majority of Gallo profit continued to come from street wines. In the next decade the company shifted its emphasis, importing wine and also exporting millions of cases of wine to scores of countries each year.

In 2006, *Forbes* magazine estimated Ernest's net worth at $1.2 billion. The next year Ernest died at his home in Modesto, just days before his ninety-eighth birthday.

Legacy

Along with his brother Julio, Ernest Gallo created a wine empire during seven decades. Known for his somber dedication to work and his often ruthless practices, Ernest was a skilled entrepreneur and a master of marketing strategies. However, this single-minded ambition resulted in bitter litigation against his youngest brother and tore the family apart.

—*Carolyn Anderson*

Further Reading

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See also: Emilio Bacardi; Edgar Bronfman, Sr.; Samuel Bronfman; Adolphus Busch; Clarence Dillon; Edward Cecil Guinness.

Isabella Stewart Gardner

American art patron

Gardner was a fashionable figure in Boston society and a patron of the arts. She befriended famous writers and artists and was the subject of a celebrated portrait by John Singer Sargent. In 1903, five years after her husband's death, she used his wealth to open her world-renowned museum.

Born: April 14, 1840; New York, New York
Died: July 17, 1924; Boston, Massachusetts
Also known as: Isabella Stewart (birth name); Mrs. Jack; Donna Isabella; Isabella of Boston
Source of wealth: Inheritance
Bequeathal of wealth: Museum

Early Life

Isabella Stewart Gardner was born in 1840 in New York City. Her father, David Stewart, made his fortune in the Irish linen trade and in mining investments, and her mother, Adelia Smith, came from a successful farming family. Educated in private schools, Gardner developed an interest in art at a young age and even then dreamed of creating some sort of house for her art. She spent part of her early life in Paris, where she met Julia Gardner, the sister of her future husband, John ("Jack") Lowell Gardner, who would be quite willing to place his fortune at her disposal in acquiring the art that quickly became the focus of her life.

The friendship with Julia led directly to Isabella's marriage to Jack, whom she met at a family gathering in Paris. The couple settled in his hometown of Boston. Depressed after the early death of her son, Gardner traveled widely in the United States, Europe, Asia, and the Middle East. However, Venice, a meeting ground for many expatriate American artists, became her favorite place. Her love of antiques and Italian art by the Old Masters and her admiration for the intimate palazzi of the city all contributed to her decision to establish her own highly personal museum at her residence, Fenway Court, and to make that site a place where the public could appreciate art masterpieces.

First Ventures

Unlike many other wealthy men and women of her generation, Gardner did not merely collect art. She also sponsored and lavishly entertained artists, buying their work and making a public spectacle of how she used her wealth. She was treated like American royalty and given nicknames, such as Donna Isabella and Isabella of Boston. Indeed, she claimed (without much foundation) to be a descendant of the Stuart royal family of England and Scotland.

Gardner and her husband began buying art in the 1880's. Although Gardner would eventually be known for her collection of famous paintings, she initially spent her fortune on tapestries, sculpture, antiques, stained glass, mantelpieces, silver, ceramics, doors, photographs, and manuscripts—all kinds of items that resulted in the rebuilding on American soil of a European style of life and architecture. In this way, Gardner became the forerunner of other great American art collectors like William Randolph Hearst, whose "castle" not only contained great works of art but also was constructed along the lines of classical European architecture.

Mature Wealth

In 1891, Gardner's father died, and she inherited a fortune of $2.1 million (estimated to be worth as much as $40 million in 2010). Although it was already clear to Gardner that she wanted to create a very personal and intimate home and museum that would showcase her art, she had to consider carefully how her scheme could compete with the collections of other wealthy art patrons, especially Henry Clay Frick, Andrew Mellon, and J. P. Morgan. These men possessed fortunes that were easily thirty times as large as hers.

Just as worrisome were the art brokers, who often bilked their clients by selling them fake masterpieces. Indeed, Gardner and her husband had been so victimized in 1888. Not until Gardner began dealing in 1894 with Bernard Berenson, an art collector himself and considered a world authority on Italian Renaissance art, did Gardner begin in earnest to acquire a collection of great works that would eventually take their place in her museum. With Berenson's guidance, Gardner began to acquire the work of Rembrandt, Titian, Édouard Manet, and other Renaissance and modern masters—in all nearly seventy pieces that would attract worldwide attention and praise.

When Jack Gardner died in 1898, Isabella acquired another fortune that accelerated her plans to open her own museum. She did not, however, simply want a grandiose building to house her art. On the contrary, she wanted a structure built on an intimate scale, so that anyone visiting the museum would think of it as a home of art, which indeed it was, since Fenway Court, the name of Gardner's residence, was indeed her domicile, as well as the site of her art collection.

In the first years of the Isabella Stewart Gardner Museum's existence, it functioned as a rather exclusive site open less than one month a year on days when the public was invited to visit the collection. It was important to Gardner that the display of her wealth and art reflect her own personal sense of beauty and place. In the first two decades of the twentieth century, she established the location for each work of art, a location that was never to be changed, a tribute to the way Gardner used her wealth to shape her sense of beauty and culture.

A case in point is the Dutch room, featuring the work of Rembrandt and his disciples, which became the site of pilgrimage for art lovers. She cunningly had the room placed at the top of a staircase and gave it a Dutch guildhall look, with well-worn ceramic floor tiles, carved wood paneling, silk green-gold fabrics, and late sixteenth cen-

Isabella Stewart Gardner. (Library of Congress) tury tapestries. Here, paintings by Albrecht Dürer, Hans Holbein the Younger, Sir Anthony van Dyck, and Peter Paul Rubens could be viewed in a setting that resembled the world in which they were created. It was this room that became the main target of a robbery that occurred on March, 1990, when thieves disguised as policemen stole paintings and other artwork estimated to be worth $600 million. Gone were the Gardners' most precious possessions: works by Rembrandt, Jan Vermeer, and other world-famous artists. As of 2010, the case had never been solved, even though there was an outstanding reward of $5 million for information leading to the recovery of the paintings.

These works and many of the others that were not stolen have appreciated in value—so much so that their true worth in monetary terms is almost incalculable. During her lifetime, Gardner might pay $100,000—then a seemingly extravagant sum—for a single painting that would decades later be appraised for millions of dollars.

In 1919, Gardner suffered the first of a series of strokes that would ultimately end her life on July 17, 1924. Aware that she would need to create the financial means to perpetuate her art collection and her museum, she established a $1 million endowment. In the first decades after her death, this endowment, carefully managed, was sufficient to the purposes Gardner had in mind. By the 1960's, however, the Gardner Museum began to suffer from the restrictions placed upon it in her will. Neither the art nor its placement could be significantly altered or sold; for this reason, the Gardner, unlike other museums dealing with a fluctuating economy and art market, as well as the vagaries of fundraising for public institutions, had strained its ability to preserve its collection. The museum also could not acquire art that did not fit into Gardner's range of interests. Similarly, the shrinking endowment resulted in the lax and inadequate security system that made the museum vulnerable to the most spectacular art robbery of the twentieth century.

Isabella Stewart Gardner Museum

Isabella Stewart Gardner designed her home and museum to evoke Venetian architecture, in particular the Grand Canal's Palazzo Barbaro. However, instead of attempting to duplicate a Venetian street, in which her building would be approached through a series of arches and columns, she employed the arches and columns motif in an inner courtyard filled with foliage and flowers.

The success of this building has much to do with Gardner's hands-on design. Although she employed an architect, she visited the construction site daily, supervising and, when necessary, even arguing with workmen about various details. She thought nothing of demolishing her own plans when they proved visually unappealing. As a result, her guiding hand created one of the most romantic places in Boston, suffused with the fragrance of jasmine trees and orchids.

Gardner took an entire year to situate her artwork into her new museum-home, making sure that the vases, tables, and other furniture and furnishings were an exact and exquisite match for the paintings, sculpture, and textiles she wanted to display. As many art critics have noted, the building and its art become a kind of performance that is entirely the product of a woman who enjoyed her role as a public figure and benefactor.

Gardner was not shy about showing off her wealth and the world she could create with it. Unlike many accomplished, wealthy persons, she did not elude the press or publicity. She wanted her name, acquisitions, and wealth to meld together in the public mind. Owning and enjoying art, in her view, was one of the great pleasures of the world that the public ought to embrace. She used her fortune for many other charities, and through her museum she established programs for the public that associated her great fortune with the improvement of her community and world.

Legacy

In spite of the restrictions that Gardner placed on her museum and the 1990 robbery, the Gardner Museum remained one of the great treasure houses of world art. Under astute leadership, temporary exhibits of contemporary art have enhanced the institution's broad appeal to the public. Because the basic physical structure cannot be changed, the museum has maintained a historic character that remains an attraction in its own right. Gardner's wish to make the museum seem like a home has been perpetuated by displaying paintings without labels or attributions and with the kind of dim lighting associated with a home rather than with a public building. Thus the proximity to great art that Gardner sought to foster has been honored. In March, 2009, a controversial decision by a Massachusetts court allowed the museum to go ahead with plans for a new building—a clear deviation from Isabella Stewart Gardner's will. Museum officials planned to devote much of the new space to temporary exhibitions and amenities designed to appeal to contemporary museum visitors.

—Carl Rollyson

FURTHER READING

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Goldfarb, Hilliard T. *The Isabella Stewart Gardner Museum: A Companion Guide and History*. New Haven, Conn.: Yale University Press, 1995. A beautifully illustrated and authoritative work.

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Tharp, Louise Hall. *Mrs. Jack: A Biography of Isabella Stewart Gardner*. Boston: Isabella Stuart Gardner Museum, 2003. This new edition of a book first published in 1965 is the official biography, comprehensive and authoritative, by a biographer of Boston's important families.

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See also: Henry Clay Frick; J. Paul Getty; Peggy Guggenheim; Solomon R. Guggenheim; Armand Hammer; Andrew Mellon.

JOHN W. GARRETT

American railroad and shipping executive

Garrett, president of the Baltimore and Ohio Railroad during its most prosperous period, transformed it into a profitable company and established Baltimore as a thriving seaport. He also contributed to the founding of Johns Hopkins University and the university's medical school.

Born: July 31, 1820; Baltimore, Maryland
Died: September 26, 1884; Deer Park, Garrett County, Maryland
Also known as: John Work Garrett
Source of wealth: Railroads
Bequeathal of wealth: Children; charity

EARLY LIFE

John Work Garrett was born in Baltimore, Maryland, in 1820. He and his brother Henry eventually became partners with their Irish immigrant father, Robert Garrett, in a mercantile and shipping business, which eventually evolved into banking. John Garrett had an affinity for business, and at nineteen he left college to work with his family. The Garretts were visionary and entrepreneurial, and they expanded their business, acquiring hotels and warehouses, building a steamship that traveled between Baltimore and San Francisco, and developing Baltimore's port so American goods could be exported to Europe and South America and merchandise could be imported from aboard.

FIRST VENTURES

Garrett's interest in shipping prompted him to become an active stockholder in the Baltimore and Ohio Railroad (B&O). His desire to ensure a positive return for stockholders motivated him to speak out at directors' meetings, asserting his ideas about the railroad's financial operations. His speeches impressed another large stockholder, Johns Hopkins, who nominated Garrett for the presidency of B&O. After being elected to this position, Garrett immediately instituted economic practices that earned the stockholders large dividends, and he promised this would be his consistent goal. Garrett's attention to detail and his many business connections enabled him to fulfill his promise. He maintained the rails in good condition, added train cars, and took advantage of business possibilities which benefited B&O and increased his personal fortune.

MATURE WEALTH

For Garrett, opportunities to strengthen both B&O and his fortune abounded. At the beginning of the Civil War, he realized his business could prosper by its support of the Union. He made the B&O an instrumental force in the war by using the railroad to move troops. He kept workers busy repairing the right-of-way, which was often a target of Confederate attacks. After the war, he purchased old warships, some of which he refitted in order to transport rail materials from Liverpool to Baltimore and to carry grain and coal to Europe. Some of the other warships were adapted for use as passenger ships that brought immigrants to Baltimore. Many of these immigrants were subsequently employed at the B&O. Garrett also invested in coal mines in Cumberland, Maryland, and in the construction of dry docks and grain silos in order to export grain and coal from the Locust Point area of Baltimore. Garrett consistently provided B&O stockholders with better than average dividends.

The most influential man in Maryland, Garrett shaped much of public life in Baltimore. He brought together two of Baltimore's wealthiest men—Hopkins, who was looking for future investments, and George Peabody, a former Baltimore resident who founded the city's Peabody Institute. At Garrett's suggestion, Peabody persuaded Hopkins to appoint a board of trustees, with Garrett as one of its members, in order to establish a university and medical school. The result was the founding of Johns Hopkins University and Johns Hopkins Medical School and Hospital.

Garrett died in September, 1884, at the age of sixty-four, exhausted and bereaved by the death of his beloved wife ten months earlier.

Legacy

Garrett created a thriving railroad and seaport in Baltimore. He demonstrated how to make money, wield influence, and use his wealth philanthropically. He served on the boards of various charitable organizations, brought the Young Men's Christian Association (YMCA) to Baltimore, and organized the Economic Relief Association of the Baltimore and Ohio Railroad. He facilitated the founding of Johns Hopkins University and its medical school through his influence and his successful railroad, which greatly contributed to the fortune of university namesake Johns Hopkins.

Garrett left his fortune to his children. His daughter Mary Elizabeth raised funds for Johns Hopkins University School of Medicine, providing much of her own fortune to the institution with the stipulation that it admit women. Garrett's grandson bequeathed one of Garrett's magnificent estates, the Evergreen House, to Johns Hopkins University.

—*Bernadette Flynn Low*

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See also: John Insley Blair; Jim Brady; Jay Cooke; Charles Crocker; Jay Gould; Edward H. Harriman; James J. Hill; Johns Hopkins; Mark Hopkins; Collis P. Huntington; Daniel Willis James; George Peabody; George Mortimer Pullman; Russell Sage; Leland Stanford; William Thaw; William Henry Vanderbilt.

BILL GATES

American businessman and philanthropist

Gates, cofounder of Microsoft Corporation, earned his vast wealth through his pioneering work in the personal computer industry. In the twenty-first century, he and his wife Melinda pledged to direct their personal and corporate funds toward ending poverty and disease in Third World countries.

Born: October 28, 1955; Seattle, Washington
Also known as: William Henry Gates III
Sources of wealth: Inheritance; computer industry
Bequeathal of wealth: Spouse; charity

EARLY LIFE

William Henry "Bill" Gates III was the second of three children born to William H. Gates, Sr., an attorney, and Mary Maxwell Gates, a board member of First Interstate Banc System. As the only son of upper-middle-class parents, he was expected (and encouraged) to become a lawyer like his father. He was sent to Lakeside School, an expensive preparatory school, where he was first exposed to computers in the form of an ASR-33 teletype terminal and some time on the General Electric server. His early attempts at computer programing produced a number of simple programs, including a tic-tac-toe game, and impressed school officials. In 1971, Gates's early manifestation of talent encouraged the Lakeside administration to hire him to write programs for the school's computers, using a programing language that would automate the lengthy process of class assignments. He graduated in 1973, scored 1590 out of 1600 on the Scholastic Aptitude Test (SAT), and decided to continue studying computers at Harvard University.

FIRST VENTURES

At Harvard, Gates continued to exhibit the talent that would enable him to succeed in the developing computer industry. In 1975, Micro Instrumentation and Telemetry Systems (MITS) developed a new microcomputer, the Altair 8800, and Gates, along with partner Paul Allen, saw this as an opportunity to start their own company, Microsoft Corporation. Microsoft provided the Altair with a suitable operating system called Altair BASIC (Beginner's All-Purpose Symbolic Instruction Code). The company subsequently developed MS-DOS (Microsoft Disk Operating System), which Gates eventually sold to International Business Machines (IBM) for a one-time fee of $50,000.

Altair BASIC and MS-DOS were not, in themselves, particularly profitable to Gates. He was more determined to stalwartly retain the copyrights to these systems in complete disregard for programming conventions of the time, which leaned toward the open-source approach, allowing wide accessibility to a software's source code. Gates cleverly retained all rights to his software in order that he could market MS-DOS not only for use on IBM's personal computers but also for the many IBM imitators that subsequently flooded the market. Gates foresaw an untapped demand for personal computers that even the computer manufacturers themselves had missed, and it was this remarkable foresight and protectiveness over his product that would guarantee him massive returns for his minuscule outlays. Given Gates's immediate success, it is not surprising that when he decided to leave Harvard to

Bill Gates testifies in 2010 before a Senate Foreign Relations Committee hearing on global health. (AP/Wide World Photos) focus on running Microsoft, his parents gave him their full blessing to pursue his dreams.

Bill and Melinda Gates Foundation

As Bill Gates rose from relative obscurity to extreme wealth, a great deal of social pressure was placed on him to turn his attention to the needs of others. Agreeing that he should be more socially responsible, Gates studied the lives of famous philanthropists like John D. Rockefeller and Andrew Carnegie to decide how his wealth could be invested for its maximum social impact. Discussions with his fiancé, Melinda French, whom he married in 1994, convinced him to sell some of his personal Microsoft Corporation stock and found the William H. Gates Foundation. Although the foundation provided computer equipment to schools serving disadvantaged students throughout the United States, Gates was dissatisfied with the organization's inability to address more deeply rooted global problems. In 2000, his wife persuaded him to combine three family trusts into a larger and more comprehensive entity—the Bill and Melinda Gates Foundation—which would seek global rather than national change in the lives of the impoverished.

The Bill and Melinda Gates Foundation is the largest "transparent" global charity; every dollar donated is openly accounted for, and the foundation's methods are open to the scrutiny of its benefactors. The organization has chosen as its particular project the eventual eradication of malaria, and the foundation is one of the largest purchasers of vaccines for preventable diseases in the Third World. Warren Buffett, a longtime friend and chief executive officer of Berkshire Hathaway, Inc., was so impressed with Gates and his wife's enthusiasm and candor that in 2006 he donated $44 billion to charity, the majority of it earmarked to be released in installments of $1.5 billion per year, to the couple's foundation. By 2007, Bill and Melinda Gates had donated almost $28 billion, making them the second most generous philanthropists in the country.

Mature Wealth

Microsoft went through an extensive restructuring and reincorporation in 1981 with the intention of buttressing the solid sales of MS-DOS, as well as creating a new and more visually oriented version of the system that would appeal to consumers who were not computer programmers and were unhappy with the technical feel of computers. Microsoft and IBM initially created a new operating system, OS/2, but Microsoft eventually dropped out of this project and IBM obtained the exclusive license to this system. OS/2 failed to significantly improve sales of personal computers. On November 20, 1985, Microsoft successfully launched its newly developed Windows OS for retail sale. The new operating system enjoyed immediate and explosive success. After ten years in business, Microsoft made an initial public stock offering in 1986. Eventually, the stock's price would skyrocket, making four of the company's employees billionaires and twelve thousand other employees millionaires. Gates also continued to form inroads into other technological products, like Corbis, a digital imaging company, which he established in 1989.

As he became accustomed to the heady experience of managing such a highly and immediately lucrative business, Gates in 1994 decided to pursue more personal goals. He married Melinda French on January 1 and assisted her in the formation of the influential Bill and Melinda Gates Foundation. With the subsequent birth of three children—two girls and a boy—the couple purchased a sixty-six-thousand-square-foot home in Medina, Washington, and outfitted it appropriately. The $125 million house overlooks Lake Washington, has a sixty-foot swimming pool, and boasts an extensive library intended to house such treasures as Leonardo da Vinci's *Codex Leicester* (one of Leonardo's scientific journals written between 1490 and 1519), bought at auction for $30.8 million. Despite the trappings of wealth implied by its twenty-five-hundred-foot gym and its one-thousand-foot dining room, the home has been described as a welcoming retreat for its family from the notoriously draining aspects of public life. For a man listed in *Forbes* magazine as the wealthiest American from 1995 to 2007, and again in 2009, Gates has resisted the more tawdry temptations of a billionaire's life. He values his privacy and avoids the limelight, having felt the scorn of the media in 1998, when Microsoft was on trial for alleged antitrust violations and Gates was labeled as arrogant and evasive under questioning.

The federal government's antitrust litigation focused on many legal issues regarding Microsoft's allegedly noncompetitive practices. Gates had resolved to remain the exclusive marketer of his company's software. He knew he could not maintain complete and perpetual control over the many aspects of the computer industry, but he was surprised when he failed to anticipate a new demand for user-friendly "gateways" to computer servers and the various communications between servers known as the Internet superhighway. A competing company had launched its entry program, Netscape, to a pleased and appreciative market. Gates responded by making agreements with computer manufacturers to offer his proprietary Internet software, Internet Explorer, to consumers as part of a hardware and software package deal. The creators of Netscape, and others in the computer industry, complained that Gates was monopolizing the available hardware vendors by requiring exclusive contracts—a predatory way of ensuring his product's sales. Judicial review confirmed that Microsoft was maintaining a monopoly and needed to be divided into smaller companies. The federal government filed suit against Microsoft, alleging that Gates's anticompetitive practices enabled him to monopolize the market for computer operating systems.

While division into two companies would not greatly harm Gates, he did not want Microsoft to be split. Fortunately for Gates, in 2001 President George W. Bush offered Microsoft a settlement that would prevent the forced division that Gates's opponents desired. Bush accepted Gates's proposal to step down as chief executive officer of Microsoft and instead become an adviser, assisting the company in its software production. This agreement reduced Gates's workload, providing him more time to focus on philanthropic work.

Legacy

Gates has said that when he dies, he does not intend for his children to inherit anything more than the relatively small sum of $10 million each, The vast majority of his fortune will be dispersed to a variety of charities performing a wide range of activities, including improving computer facilities in public schools and purchasing and distributing vaccines for use in Third World countries. He prefers that his legacy be a world less ravaged by disease than the provision of funds that could tempt his children to become profligate spendthrifts, interested only in the pursuit of pleasure. Gates has also pledged to work with other charities in order to address public needs that cross traditional boundaries between these organizations. For example, investor Warren Buffett so admired the compassion of Gates and his wife that Buffett also pledged to distribute the bulk of his $44 billion estate toward charitable goals after his death.

—*Julia M. Meyers*

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Sergey Brin; Warren Buffett; Andrew Carnegie; Mark Cuban; Michael Dell; Larry Ellison; Steve Jobs; Gordon E. Moore; David Packard; H. Ross Perot; John D. Rockefeller III.

Great Lives from History

The Incredibly Wealthy

Great Lives from History

The Incredibly Wealthy

Volume 2

Piers Gaveston – John D. Rockefeller III

Editor

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University of Michigan

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Key to Pronunciation

Many of the names of personages covered in *Great Lives from History: The Incredibly Wealthy* may be unfamiliar to students and general readers. For these unfamiliar names, guides to pronunciation have been provided upon first mention of the names in the text. These guidelines do not purport to achieve the subtleties of the languages in question but will offer readers a rough equivalent of how English speakers may approximate the proper pronunciation.

Vowel Sounds

Symbol	**Spelled (Pronounced)**
a	answer (AN-suhr), laugh (laf), sample (SAM-puhl), that (that)
ah	father (FAH-thur), hospital (HAHS-pih-tuhl)
aw	awful (AW-fuhl), caught (kawt)
ay	blaze (blayz), fade (fayd), waiter (WAYT-ur), weigh (way)
eh	bed (behd), head (hehd), said (sehd)
ee	believe (bee-LEEV), cedar (SEE-dur), leader (LEED-ur), liter (LEE-tur)
ew	boot (bewt), lose (lewz)
i	buy (bi), height (hit), lie (li), surprise (sur-PRIZ)
ih	bitter (BIH-tur), pill (pihl)
o	cotton (KO-tuhn), hot (hot)
oh	below (bee-LOH), coat (koht), note (noht), wholesome (HOHL-suhm)
oo	good (good), look (look)
ow	couch (kowch), how (how)
oy	boy (boy), coin (koyn)
uh	about (uh-BOWT), butter (BUH-tuhr), enough (ee-NUHF), other (UH-thur)

Consonant Sounds

Symbol	**Spelled (Pronounced)**
ch	beach (beech), chimp (chihmp)
g	beg (behg), disguise (dihs-GIZ), get (geht)
j	digit (DIH-juht), edge (ehj), jet (jeht)
k	cat (kat), kitten (KIH-tuhn), hex (hehks)
s	cellar (SEHL-ur), save (sayv), scent (sehnt)
sh	champagne (sham-PAYN), issue (IH-shew), shop (shop)
ur	birth (burth), disturb (dihs-TURB), earth (urth), letter (LEH-tur)
y	useful (YEWS-fuhl), young (yuhng)
z	business (BIHZ-nehs), zest (zehst)
zh	vision (VIH-zhuhn)

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The Incredibly Wealthy

Piers Gaveston

English aristocrat and government official

Gaveston received his wealth through his close friendship and presumed homosexual relationship with King Edward II of England. The favoritism the king showed to Gaveston antagonized other aristocrats, prompted several revolts against Edward II, and ultimately led to Gaveston's murder and Edward's deposition.

Born: c. 1284; Béarn, Gascony, France
Died: June 19, 1312; near Warwick, Warwickshire, England
Also known as: Piers Perrot Gaveston; Earl of Cornwall
Sources of wealth: Real estate; government
Bequeathal of wealth: Children; government

Early Life

Piers Perrot Gaveston (peerz peh-ROH GAHV-ehs-tuhn) was the third and youngest son of Gascony knight Arnaud de Gabaston and his wife, Claramonde de Marsan. As a Gascon, Gaveston was by birth a subject of the English crown. Arnaud served Edward I of England in several capacities and Piers followed in his father's footsteps. The first recorded mention of Piers appears in 1297, when he served in Edward I's army in Flanders. It is likely that he had arrived in England prior to this time, possibly when Arnaud came to the country in 1296.

First Ventures

Gaveston became a yeoman in the king's household before joining his father and brother in a military campaign in Scotland in 1300. Gaveston had clearly risen in stature and wealth, with at least one servant of his own and a horse that was valued at three times the figure assigned to his Flemish mount in 1297. By the end of that year, Gaveston had been transferred to the household of Edward of Caernarvon, the future Edward II. According to an anonymous chronicler, Edward I had been considerably impressed with Gaveston's conduct in Flanders. He apparently saw Gaveston, a graceful, sharp-witted, refined man with good military skills, as a role model for young Prince Edward. The transfer did not affect Gaveston's financial status, as he continued to receive the same rate of pay, but new possibilities for advancement opened.

On December 14, 1302, Edward I identified Gaveston as a member of his household and ordered robes for him for each season. Gaveston joined both the king and prince in Scotland on another military campaign in 1303. While in Scotland, Gaveston received an increase in his wages, as well as money for the purchase of unspecified goods. The fact that the king also entrusted Gaveston to pay small sums to others indicates that he was held in high regard. In 1304, at the request of Edward of Caernarvon, Edward I granted Gaveston custody of Edmund Mortimer's lands until Mortimer's heir reached the age of majority. In 1306, Edward I knighted Gaveston.

Mature Wealth

Over the years, Gaveston became increasingly close to Prince Edward, a development that led to discontent among other aristocrats. Contemporaries described the love shown by the prince for Gaveston as "immoderate," "excessive," and "beyond measure." The relationship may have been homosexual or adoptive brotherhood—the records support both conclusions. In 1307, Gaveston was sent into exile largely because of the favoritism shown to him. Edward I likely viewed exile as more of a punishment for Prince Edward than for Gaveston. Upon Edward I's death, the new king, Edward II, recalled Gaveston from exile, named him the earl of Cornwall, and granted him all of the lands that had belonged to Edmund, the late earl of Cornwall.

Now elevated to the peerage, Gaveston received the honor of being appointed regent in anticipation of the king's absence at his wedding to Isabella of France. Gaveston played a prominent role at Edward II's coronation in 1308, preceding the king and carrying the crown of Edward the Confessor. The king's new brothers-in-law were reportedly offended by Gaveston's ostentatious dress and behavior at the banquet that followed the coronation.

Meanwhile, the English barons had become dissatisfied with Edward II's governance. In 1308, they issued the Boulogne declaration, setting out their arguments for reform. The aristocrats, especially the earl of Lincoln, blamed Gaveston for leading Edward astray, and they wanted Gaveston to leave the country. With the threat of civil war high, Edward sent Gaveston into exile in May, 1308. Edward immediately began to arrange for Gaveston's return while compensating him for his loss of lands. During Gaveston's exile, he continued to receive grants of land, including the county of Gaure; the castles of Talmont, Tantalon, and Mauleon; the city of Bayonne; and the island of Oléron. He also received the manors of Aldborough, Roecliffe, and Burstwick and the castle of Knaresborough, among many other properties. Gaveston was expected to draw an income of 3,000 marks from these English properties, with any surplus going to the king. Gaveston held most of the properties only for life, with reversion to the king upon Gaveston's death. The king also gave Gaveston 1,180 marks to pay his expenses.

On June 16, 1308, Edward appointed Gaveston as the king's representative in Ireland. The post carried substantial power. Gaveston accounted himself well, particularly in military affairs. By the spring of 1309, Gaveston had returned to England, but the problems that had led to his exile remained. He behaved just as arrogantly as in the past, while the barons continued to complain about his conduct. In 1310, Edward agreed to the election of a group of lords who had the power to maintain the well-being of the realm and the royal household. Little changed except for the worsening situation between Edward and the barons.

The English barons viewed Gaveston as an obstacle to reform of the household system of governance. Several of the Ordinances of 1311 that were drafted by the nobility and presented to Parliament were personal attacks upon the royal favorite. Gaveston was charged with providing the king with evil counsel, draining the royal treasury and sending the money abroad, making alliances, estranging the king from his own people, removing good officials in favor of his own men, receiving lands and other gifts to the detriment of the Crown, obtaining royal protection for criminals, leading the king into hostile lands, and obtaining sealed blank charters. Moreover, after being exiled by Edward I, Gaveston allegedly returned without the proper baronial assent. The ordinances called for Gaveston to be perpetually exiled from England and from all English possessions by November 1, 1311. None of the charges were substantiated with evidence, however, probably because Gaveston's notoriety was considered proof enough of his guilt.

Edward opposed the implementation of the ordinances and refused to uphold them. The writers of the ordinances had no power to enforce them. Gaveston did lose his lands, but they were entrusted to the care of Gaveston's own officers by the king. After spending no more than two months abroad, Gaveston returned to England, apparently because of the birth of his first child. Gaveston and the king journeyed to York to see Gaveston's wife and daughter. They remained in the area while the barons organized forces to oppose the king and his favorite. Gaveston set up residence at Scarborough Castle in Lancaster while Edward remained in York. Several lords attacked Scarborough, prompting Gaveston to surrender. Three of the lords guaranteed his safety. On June 10, several of the lords condemned Gaveston to death. On June 19, 1312, he was led along the road to Kenilworth until the group reached Blacklow Hill, where an executioner cut off Gaveston's head.

THE DEPOSITION OF EDWARD II

Edward II, also known as Edward of Caernarvon (1284-1327), king of England and lord of Ireland, and duke of Aquitaine, was the son and successor of Edward I (1239-1307). In 1326, Edward II experienced serious conflict with France and with English aristocrats. Edward's wife, Isabella of France, joined with Edward's son Prince Edward to invade England to purportedly free the king, the church, and the realm from the ruin caused by the king's favorites. Meanwhile, King Edward II took flight to Wales to rally supporters. Captured in Wales, he was placed in the custody of the earl of Leicester. Parliament, summoned by Prince Edward, considered several articles that outlined Edward's defects as a king. The charges make it clear that Edward was widely regarded as an incompetent ruler and did not command much respect.

Edward was charged with being personally incapable of governing; allowing himself to be led and governed by others who advised him badly; refusing to remedy the defects when asked to do so by the nobility; devoting himself to unsuitable work and occupations while neglecting the government of his kingdom; exhibiting pride, covetousness, and cruelty; losing, for lack of good government, the kingdom of Scotland and lands in Gascony and Ireland; forfeiting the friendship of the king of France; destroying the church and imprisoning clergy; failing to observe his coronation oath through the influence of evil counselors; abandoning his kingdom and doing all in his power to cause the loss both of it and of his people; and being incorrigible and without hope of improvement.

On January 20, 1327, under pressure, Edward resigned in favor of his son, Prince Edward. The deposed king remained in custody until his death on September 21, 1327. Despite an official announcement that Edward had succumbed to natural causes, most people quickly came to believe that he had been murdered to remove the embarrassment of a former king's existence.

Edward II buried the remains, dressed in three cloths of gold, at the Dominican house at Kings Langley two years later. The king showed his continued loyalty to Gaveston by providing for the dead man's family and servants. He endowed Gaveston's widow, Margaret, with the castle of Oakham and the manors of Kirkton and Burstwick, along with all of their members, towns, hamlets, and other contents. Edward paid for the education of Gaveston's daughter Joan until her death at the age of thirteen.

Legacy

Gaveston proved unpopular chiefly because he controlled royal patronage and favors during the first five years of Edward's reign. The close relationship between Gaveston and Edward II doomed both men. It also had significant political consequences for England. Gaveston became a symbol of the corruption of Edward II. By the twenty-first century, Edward was remembered chiefly for being one of the rare English kings to lose his crown. His deposition is blamed on his favoritism of Gaveston.

For Edward, his unwillingness to appease the barons by removing Gaveston from England and all its possessions ultimately unraveled his reign. The Gascon knight became the central issue in a baronial campaign for governmental reform. Although Gaveston committed no crimes, ostentation and arrogance proved to be his undoing.

—*Caryn E. Neumann*

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See also: Eleanor of Aquitaine.

David Geffen

American entertainment company executive

Geffen became the first self-made billionaire in the American entertainment industry through a shrewd understanding of popular tastes and an ability to negotiate lucrative deals with artists and industry executives. In 2004, the visionary businessman pledged to donate his future earnings to charity.

Born: February 21, 1943; Brooklyn, New York
Source of wealth: Entertainment industry
Bequeathal of wealth: Medical institution; educational institution; charity

Early Life

David Geffen was born in 1943 in Brooklyn, New York, the second son of Batya Volovskaya Geffen, originally from the Ukraine, and Abraham Geffen, originally from Lithuania. The couple had met in British-mandated Palestine and married in Tel Aviv in 1931, eventually immigrating to the United States. Abraham had little ambition and held a series of low-paying jobs. David learned his first entrepreneurial skills from his mother, who made and sold women's undergarments in her shop, Chic Corsetry by Geffen. A shrewd businesswoman, Batya was the primary breadwinner. She called her favorite son "King David" and spoiled the talkative youngster, who was fascinated by show business.

Geffen was an indifferent and easily distracted student whose full attention was captivated by his involvement in a student musical comedy production. After

David Geffen. (AP/Wide World Photos)

graduating from New Utrecht High School, he attended—and soon dropped out of—a series of schools: Santa Monica City College, Brooklyn College, and the University of Texas at Austin.

First Ventures

Geffen's first entertainment-related job was as an usher at CBS (Columbia Broadcasting System) Television City in Los Angeles, followed by a short-lived position as a receptionist for a CBS television series. In 1964, he landed a job in the mail room of the New York office of the William Morris Talent Agency (WMA), claiming he had earned a degree in theater arts from the University of California, Los Angeles. Intensely ambitious and eager to ingratiate himself with his superiors, Geffen worked in the WMA office in Los Angeles during his vacations. Geffen became a junior agent-at-large eighteen months after joining WMA, at first focusing on television talent and then on promising musical acts.

In 1968, Geffen left WMA, doubling his salary at the Ashley Famous Agency. He became a personal manager for singer-songwriter Laura Nyro and other developing musicians, including Crosby, Stills and Nash. The young businessman made his first $1 million with the sale of the music publishing venture he had begun with Nyro.

In 1970, now living in Los Angeles, Geffen cofounded Asylum Records. He quickly became known for his ability to recognize new talent and to predict trends in musical taste when he signed Joni Mitchell, Jackson Browne, The Eagles, Bob Dylan, Tom Waits, and Linda Ronstadt on the Asylum label, which was distributed by Atlantic Records. In 1971, Geffen sold Asylum Records to Warner Communications in a noticeably lucrative transaction. Warner Communications, Atlantic's parent company, merged Asylum with Elektra Records in 1972. Geffen stayed on as president of Asylum during the merger and until 1975, when he accepted a position as vice chairman of Warner Bros. film studio. In contrast to his great success as a record executive with a free rein, Geffen was less adept in the corporate decision-making environment of the film industry.

He retired from the studio and soon after was diagnosed with terminal bladder cancer. During the next several years, he received medical treatment and briefly taught business studies at Yale University. After the discovery that his diagnosis was wrong, Geffen received a clean bill of health and returned to the music industry with renewed zest.

Mature Wealth

Still associated with Warner, Geffen founded Geffen Records in 1980. Among the risky, but profitable, decisions on Geffen's part was to record John Lennon and Yoko Ono's album *Double Fantasy*, released shortly before Lennon's assassination in December, 1980. Geffen Records soon became an influential label with a roster that combined new and established musicians, including Olivia Newton-John, Sonic Youth, Aerosmith, XTC, Peter Gabriel, Lone Justice, Blink-182, Pat Metheny, and Sloan. Into the mid-1980's, Geffen continued to deal directly and supportively with older artists, such as Cher and Neil Young, but he relied on the opinions of younger colleagues regarding new musicians, signing stars-in-the-making, such as the band Guns 'N Roses. At the conclusion of a six-year contract with Warner, Geffen sold his recording company to the Music Corporation of America (MCA) for $6.13 million and $50 million in stock options. When Matsushita (now Panasonic) bought MCA, Geffen earned $710 million, and according to one writer emerged as "the single biggest benefactor of a Japanese acquisition of a U.S. company in history."

Back in business for himself, Geffen founded a new record label, DGC, with the stated objective of attracting innovative, young bands. One of the first bands Geffen signed was Nirvana, which scored a hit with the album *Nevermind*. In the 1990's, the popularity of grunge rock propelled the profits of DGC. Once again, Geffen was ahead of the curve. During this period the entrepreneur did not limit himself to the music business. In 1982, again with support from Warner, he launched the Geffen Film Company. Its first production, *Risky Business* (1983), made a star of young actor Tom Cruise. Other successes followed, including *Little Shop of Horrors* (1986), *Beetlejuice* (1988), *Interview with the Vampire* (1994), and *Beavis and Butthead Do America* (1996). During the 1980's, Geffen also bankrolled a series of long-running, award-winning Broadway and Off-Broadway shows: *Dreamgirls* (1981), *Little Shop of Horrors* (1982), *Cats* (1982), *M. Butterfly* (1988), and *Miss Saigon* (1991).

In 1994, Geffen joined with two of his friends, film producer and director Steven Spielberg and former Walt Disney Company executive Jeffrey Katzenberg, to form DreamWorks SKG, a film studio and entertainment production company. This ambitious enterprise combined the talents of three of the most powerful men in the entertainment industry, each of whom contributed $33 million, along with $500 million from Microsoft cofounder Paul Allen, to launch the studio. Its first two releases—*The Peacemaker* (1997) and *Amistad* (1997)—were not very profitable, but they established DreamWorks in the high-stakes world of studio filmmaking. Soon another drama, *Saving Private Ryan* (1998), earned both critical acclaim and huge audiences. Although that film did not win the Academy Award for Best Picture, as expected, DreamWorks went on to win three consecutive Academy Awards for Best Picture for *American Beauty* (1999), *Gladiator* (2000), and *A Beautiful Mind* (2001).

Although the studio also found success in television production with the situation comedy series *Spin City* (1996-2002), among other shows, DreamWorks Animation was the most consistently profitable unit, producing some of the highest-grossing animated films in film history, including *Antz* (1998), *The Prince of Egypt* (1998), *Shrek* (2001), *Madagascar* (2005), *Bee Movie* (2007) and *Kung Fu Panda* (2008). These successes resulted in DreamWorks Animation eventually becoming a separate and publicly traded company.

Surprisingly, given Geffen's impressive accomplishments in the recording industry, DreamWorks Records never thrived and was sold to the Universal Music Group in 2003. Several DreamWorks films with huge budgets were failures in 2004 and 2005, and the studio came close to bankruptcy. Even the company's "dream team" of Geffen, Spielberg, and Katzenberg could not change Hollywood. In February, 2006, Viacom's Paramount Pictures purchased the live-action DreamWorks studio for approximately $1.6 billion, which included about $400 million in debt assumption. Between 2007 and 2009, there was speculation that Geffen had plans to buy the *Los Angeles Times* or a substantial interest in *The New York Times*, an indication that the ever-restless en-

The David Geffen School of Medicine

In 2002, media mogul David Geffen, a member of the University of California Board of Regents, announced an unrestricted endowment of $200 million for the University of California, Los Angeles (UCLA) School of Medicine, after which the medical school was renamed in Geffen's honor. At the time of its award, the billionaire entrepreneur's gift constituted the largest single donation ever made to an American medical school.

The now celebrated school was founded shortly after World War II, far later than other medical schools with which it is now ranked. The first dean was appointed in 1947; two years later, construction began on the medical center and medical school. The first classes were held in 1951, attended by twenty-six men and two women, but the medical center did not officially open until 1955. Growth was swift and unprecedented, with the creation of the Neuropsychiatry Institute, the Brain Research Institute, the Marion Davies Children's Center, a school of dentistry, and an independent school of public health. By the end of the 1960's, the medical school had nearly four hundred medical students, more than seven hundred interns and residents, and nearly two hundred M.S. and Ph.D. candidates. In the 1970's, the school affiliated with the Venice Family Clinic, which would become the largest free clinic in the United States. Expansion continued in the 1980's with the addition of the Doris and Louis Factor Health Sciences Building and the Comprehensive Cancer Center. The Gonda Neuroscience and Genetics Research Center was constructed in the 1990's.

By the twenty-first century, the UCLA David Geffen School of Medicine had more than 2,000 faculty members, 1,300 residents, more than 750 medical students, and almost 400 Ph.D. candidates. Ranked "Best in the West" for fourteen consecutive years in the *U.S. News and World Report*'s annual survey of the best hospitals in America, the school is an international leader in biomedical research, medical education, and community service.

trepreneur had not satiated his desire for new media challenges.

Since the late 1980's, Geffen had been a generous contributor to acquired immunodeficiency syndrome (AIDS) research and AIDS action causes and a lobbyist for gay rights and AIDS research funding. In 1992, he received the Commitment to Life award from AIDS Project Los Angeles; in his acceptance speech, he publicly described himself as a gay man for the first time. In May, 2007, *Out* magazine ranked Geffen at the top of its list of the "Most Powerful Gay Men and Women in America." An enthusiastic contributor to Bill Clinton's presidential campaign and a frequent guest at the White House, Geffen later split with Clinton over the president's policy on gays in the military, but the billionaire has continued to be an active contributor to and fund-raiser for Democratic candidates.

With the advice of Atlantic Records executive and personal mentor Ahmet Ertegun, a twenty-seven-year-old Geffen bought his first artwork, a small painting by Pablo Picasso. Geffen embraced art collecting with his typical gusto and sagacity, developing a collection that by the mid-1990's ranked as one of the best private collections of postwar American painting in the world. When Geffen sold Jackson Pollock's *No. 5, 1948*, for $140 million in 2006, it was the most expensive sale of a single painting to date.

Geffen is one of the wealthiest people in the American entertainment industry, with a net worth estimated at $6 billion in 2007 and $5 billion in 2010.

Legacy

David Geffen has been an influential force in American popular culture since the 1970's. Although his greatest mark has been on popular music, he has also shaped tastes in television programming, Broadway shows, and feature films. Like many media moguls before him, Geffen is known for his energy, ambition, shrewdness, and the tenacity of his friendships and animosities. The David Geffen Foundation has contributed millions to AIDS research and action causes. The Geffen Playhouse and the David Geffen School of Medicine, both at the University of California, Los Angeles, attest to Geffen's generosity.

—*Carolyn Anderson*

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See also: Richard Branson; Mark Cuban; Walt Disney; Larry Ellison; Rupert Murdoch; Sumner Redstone; Steven Spielberg.

J. Paul Getty

American oil magnate and art collector

Getty accumulated a fortune that made him the richest living American by 1957, and he eventually was worth more than $2 billion. His interest in art and antiquities led him to acquire an enviable collection of paintings, sculpture, and other art objects that formed the basis of his outstanding Getty museums in Los Angeles and Malibu.

Born: December 15, 1892; Minneapolis, Minnesota
Died: June 6, 1976; Sutton Place, Surrey, England
Also known as: Jean Paul Getty
Source of wealth: Oil
Bequeathal of wealth: Charity; museum

Early Life

Jean Paul Getty was born in 1892 to George Franklin Getty, a lawyer, and his wife, Sarah Catherine McPherson Risher. The couple's daughter, Gertrude Lois, died in the 1890 typhoid epidemic. In 1904, George moved the family to Oklahoma, a major oil-producing state, with the intention of getting into the oil business, and he successfully attained this goal. Two years later, he moved the family again, this time to California. Jean Paul attended the Harvard Military Academy and in 1909 graduated from Polytechnic High School. At seventeen, he was strong and athletic, an amateur boxer and weightlifter, and a fine swimmer. Physically capable of handling the job of an oil field roustabout, he worked during the summer on his father's Oklahoma oil rigs.

Getty began his college education at the University of Southern California and then briefly attended the University of California at Berkeley, where he studied political science and economics. In 1912, he transferred to Magdalen College at Oxford University in England, graduating in 1914 with a degree in economics and political science. He took time to travel around Europe before returning to the United States to begin working.

First Ventures

Getty settled in Tulsa, Oklahoma, where he started his own oil company with his father's financial support. His father's business, the Minnehoma Oil Company, was thriving. Getty had a shrewd talent for buying and selling oil leases, and in 1916, when one of his own wells struck oil, he made his first $1 million.

When Getty was in his early twenties, he decided to take some time off to enjoy his money. He went back to Los Angeles, where, as a wealthy young bachelor, he lived a playboy's life. Hollywood offered film stars, such as the Gish sisters, Norma Talmadge, Mary Pickford, Gloria Swanson, Cary Grant, and Charlie Chaplin; the attraction of celebrity; beautiful women; and an exciting social life—all heady stuff for a young man with plenty of money. Within a decade, Getty managed to meet, marry, and divorce three women. His father disapproved of his lifestyle and lost respect for him.

Getty apparently either tired of this Hollywood life or could not resist the lure of business, because he returned to work in 1919, continuing to buy and sell oil leases and drill his own wells. He went to Mexico, studied Spanish, and acquired oil leases there. During the 1920's, his fortune grew to more than $3 million, and Getty became owner of a one-third interest in the firm he would soon name the Getty Oil Company.

After his father died in 1930, Getty became the president of the George Getty Oil Company, the changed name of the Minnehoma Oil Company. His mother, who like his father had become concerned about the lifestyle

J. Paul Getty. (AP/Wide World Photos)

The Getty Villa and Getty Center

J. Paul Getty established the museum that bore his name in a wing of his Malibu, California, home in 1954. Another building on this property, designed as a replica of an ancient Roman villa, was completed in 1974, and Getty's extensive art collection was moved there. In addition, the Getty Center, a 110-acre campus in the foothills of Los Angeles's Santa Monica Mountains, was completed in 1997 and is a complex of buildings containing a library, archives, and facilities to support interdisciplinary research, training, and other activities related to the conservation of art, architecture, and archaeological sites. The Getty Center museum houses collections of European paintings, drawings, sculpture, illuminated manuscripts, decorative arts, and European and American photographs.

The Getty Villa in Malibu is both a museum and educational center where forty-four thousand antiquities from ancient Greece, Rome, and Etruria are stored and exhibited. With its gardens, fountains, a reflecting pool, authentic Roman sculpture, and flora, the villa enables visitors to step into the past. Ancient Greek and Roman art, such as marble busts and statues, bronze pieces, murals, and frescoes, are displayed on one level of the building, while another level contains rooms decorated entirely in French Baroque and rococo furniture, carpets, clocks, and other furnishings.

The Getty Villa and Getty Center are among the world's richest museums. Upon Getty's death in 1976, the Malibu museum obtained a bequest of $600 million from Getty's estate. Since then, funding has grown and by 1982 was around $1.2 billion. This financial base has made it possible for the museums to expand their collections by purchasing many works and receiving donations from other art collectors.

The Getty art collection has caused controversy over the years. The Italian and Greek governments have claimed that many pieces of the collection's art were stolen from their countries. It was also alleged, and in some instances substantiated, that traffickers in stolen antiquities had acquired pieces from archaeological sites or by other means and illegally moved them into the international art market, where they were purchased by unsuspecting or unscrupulous art dealers. In 2006, the Getty returned twenty-six items claimed by Italy; in 2007 another forty artifacts were returned.

In spite of such issues, the museum buildings remain beautiful structures in fabulous settings, providing patrons with exhibits, public programs, and training opportunities in art research and conservation. The trust fund established after Getty's death has become a $6.4 billion foundation that supports the two museums, Getty Conservation Institute, Getty Information Institute, Getty Leadership Institute of Museum Management, Getty Research Institute for the History of Art and the Humanities, and Getty Grant Program. The grant program awards funds each year to art scholars and artists.

Getty adopted during his Hollywood sojourn, retained controlling interest in the company. Getty, however, continued to increase the business's profits and expanded its holdings. During the Depression, he shrewdly bought shares in companies with depressed stock prices. He acquired controlling interest in one of California's largest oil companies, the Pacific Western Oil Corporation, and in 1933 he bought shares in the Petroleum Corporation of America. His mother was finally persuaded to give him controlling interest in the company his father had started.

Mature Wealth

While still expanding his company's oil business and holdings, Getty also ventured into real estate, purchasing the Hotel Pierre in New York City. During World War II, he volunteered to serve in the U.S. Navy (he was an accomplished yachtsman), but he was rejected. The federal government, however, recognized his exceptional business acumen and persuaded him to take leadership of the Spartan Aircraft Company, which produced aircraft components and the NP-1 trainer airplanes that made a major contribution to the nation's war effort.

One of Getty's most audacious moves occurred in 1949, when he obtained the Saudi Arabian oil rights in the "neutral zone" between Saudi Arabia and Kuwait; the zone was an area of land between the borders of both nations. Dealing directly with King Ibn Saʿūd of Saudi Arabia, Getty paid $9.5 million in cash and committed to pay $1 million a year for sixty years for the land, on which oil had yet to be found. For four years, Getty's company looked for oil on the land, spending $30 million before striking oil on the Wafra tract in 1953. This oil field produced sixteen million barrels a year, helping to make Getty one of the richest people in the world.

By this time, he had also acquired control of Mission Corporation, as well as its holdings in Tidewater Oil Company and the Oklahoma-based independent Skelly

Oil Company, both connected to the beleaguered Standard Oil Company. Tidewater was a particularly significant acquisition as it was an integrated oil company with its own refineries, transport facilities, and gas stations.

Getty developed the Getty Oil Company into one of America's largest corporations and had what almost amounted to a monopoly on North American and Arabian oil concessions. The company maintained the world's largest fleet of oil tankers. Getty was described as the "world's richest private person" in 1957, with a personal fortune estimated at about $10 billion in stocks, corporate assets, and real estate.

By 1960, he had moved his home and offices to England, where he lived out the rest of his life in a sixteenth century Tudor estate. He died of heart failure in 1976 at the age of eighty-three.

Legacy

As early as 1938, Getty began collecting fine artworks. One of his first significant purchases was the Ardabil carpet, a sixteenth century Persian rug for which he paid £14,000. Around the same time, he also purchased paintings by Thomas Gainsborough and Raphael. His collection soon included rare watches, furniture, Roman and Greek sculpture, European paintings, tapestries, and other objets d'art. He kept his collection in his homes in England and California, until in 1954 he converted a wing of his home in Malibu, California, to the J. Paul Getty Museum.

By the twenty-first century, Getty's collections and many other artworks were exhibited in two museums—a Roman-style villa on his Malibu property and a major cultural institution in Los Angeles. Getty had said that art was a "civilizing influence in society" and as such should be available to the public. These museums and the other institutes he supported were the generous legacy of his wealth.

—*Jane L. Ball*

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See also: Hugh Roy Cullen; Edward L. Doheny; Henry M. Flagler; Calouste Gulbenkian; Armand Hammer; H. L. Hunt; Clint Murchison, Sr.; Joseph Pew; Sid W. Richardson; John D. Rockefeller; William Rockefeller; Harry F. Sinclair.

Abdul Ghafur

Mughal merchant

With a fleet of ships plying the Indian Ocean maritime trade, Ghafur was a wealthy "merchant prince" of the Mughal Empire.

Born: c. 1622; Gujarat, India
Died: 1718; Surat, India
Also known as: Mulla Abdul Ghafur
Sources of wealth: Trade; real estate
Bequeathal of wealth: Children

Early Life

Mulla Abdul Ghafur (AHB-dewl gah-FOOR) was born into a poor Muslim family in the recently annexed Gujarat *subah* (province) of the Mughal Empire in the early seventeenth century. His family belonged to the Bohra sect of Ismāʿīli Shīʿite Islam. Many Bohras were traders in the Mughal Empire, and the city of Surat in Gujarat was a leading commercial port of the Mughal Empire. Although beginning its decline, the Mughal Empire remained one of the richest empires in the world during Ghafur's lifetime. Silks, cottons, textiles, and spices flowed in and out of Surat on their way to India, the Near and Far East, and Europe. Ghafur soon became the leading merchant of this vast international trade.

First Ventures

Ghafur harbored his ships at the wharf in the village of Athwa near the wharves of French, Dutch, Turkish, and African fleets and not far from the English trade settlement. With the decline in the military power of the Mughal emperors, pirates infested the Red Sea and Indian Ocean. Throughout the 1690's, Ghafur lost many valuable ships to pirates. Skillfully playing on the ambitions of the Dutch East India Company, the allegiance of other merchants, and the Islamic sympathies of the Surat citizens, Ghafur organized convoys to protect his ships and devised a method of compensation for his pirated merchandise.

By 1700, Ghafur owned seventeen merchant ships that were capable of carrying more than five thousand tons of goods, rivaling the largest foreign trading companies. Ghafur's ships were commanded by relatives and trusted associates and swept a trading arc from the Indian Ocean to Arabia and to the China Sea, Malay, and Sumatra. Ghafur built a mansion in Saudagarpura and a luxuriant garden just inside the Variao gate to the city of Surat. Nearby, Ghafur constructed his family cemetery. Ghafur entertained visiting dignitaries in his gardens; the newly appointed *subahdar* (governor) of Gujarat was hosted in Ghafur's gardens for several days before taking command.

Mature Wealth

Ghafur was awarded the title *Umdat-ut-tujjar* (most eminent merchant) by the Mughal court. He was astute in employing imperial politics in order to advance his business interests and was renowned as a "merchant prince." His ships were exempted from many of the custom duties on exports of merchandise. He pressured another merchant, Abdul Wahab, to denounce his own son and leave his inheritance to Wahab's daughter, who was married to Ghafur's son. Ghafur's biographer, the distinguished Indian historian Ashin Das Gupta, describes Ghafur as temperamental and vindictive. However, many of Ghafur's outbursts seem to have been calculated displays of anger designed to concentrate Gujarati and Islamic hostility against his trading rivals. Indeed, the records of the Dutch East India Company indicate that Ghafur continually outmaneuvered European traders.

Ghafur died in 1718 at the supposed age of ninety-six. At his death Ghafur left an immense fortune of eighty-five lakhs of silver rupees (as a lakh represents 100,000 rupees, this sum is the equivalent of approximately $600 million), vast property holdings, and a still flourishing trading empire. His entire estate and his business were bequeathed to his son Mulla Abdul Hai.

Ghafur's grandson Mulla Muhammad Ali was increasingly at odds with the Mughal rulers. After skirmishes in which Ali employed an army of paid mercenaries, Ali was imprisoned and died on July 10, 1733. Ali's sons Mulla Fakhruddin and Mulla Aminuddin were able to preserve some of the family's shipping privileges. In turn, Fakhruddin's sons Mulla Waliuddin and Mulla Abdul Fath were also successful merchants, but the bulk of the fortune of Abdul Ghafur, one of the most spectacular built from the Indian Ocean maritime trade, had been lost.

Legacy

Descended from a line of conquerors and raiders, the Mughal rulers of the seventeenth century learned that there was stable governance in economic production, trade, and tax revenue. Abdul Ghafur was one of the leading "merchant princes" to emerge from this environment, employing his wealth to exert influence in the cosmopolitan Mughal court and to operate on behalf of his business interests and coreligionists.

—*Howard Bromberg*

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See also: Aurangzeb; Fateh Chand; Shah Jahan; Virji Vora; Shantidas Zaveri.

Stephen Girard

American banker and merchant

Girard, one of the nation's earliest bankers, was the richest American of his time, and he used his wealth to establish a school for orphans.

Born: May 20, 1750; Bordeaux, France
Died: December 26, 1831; Philadelphia, Pennsylvania
Sources of wealth: Banking; trade; real estate
Bequeathal of wealth: Educational institution

Early Life

Stephen Girard (zhuh-RAHRD) was born in France in 1750. He was blind in one eye and affected by people's reaction to his condition. His father was a merchant who taught him about business and sparked his love of the sea. After his father's death, Girard decided to go to sea. He started as a cabin boy on a ship and worked his way up. Girard eventually became a part owner of a vessel that sailed near the British colonies, which would soon become the United States. He was visiting the colonies at about the time that the United States declared independence from Great Britain. Unable to leave during the Revolutionary War, Girard settled in Philadelphia and eventually became an American citizen.

First Ventures

Girard resumed his trade business soon after the end of the revolution. He was quite successful in his efforts and gained a large fortune. In 1776, Girard met and married Mary Lum. About ten years into the marriage, Mary began to suffer from mental illness. Girard had his wife institutionalized in 1790, and Mary died in the institution in 1815. Girard never remarried. He continued his international trading in the 1780's and early 1790's, and around 1790 he started to build ships.

In 1793, Girard was instrumental in fighting a yellow fever epidemic in Philadelphia. Unlike many other wealthy residents who left the city, Girard remained in Philadelphia, and he paid to convert a private home into a hospital. His efforts during the epidemic were quite successful and led to his becoming one of the most well-respected men in Philadelphia.

Mature Wealth

After the yellow fever epidemic, Girard resumed his trading activities and built numerous ships, maintaining a fleet of no more than nine vessels. He also chartered additional ships from others. Among the items he traded were coffee, tea, wine, and tobacco. Girard's business was often affected by the events of the late eighteenth and early nineteenth centuries. For example, his ships were seized by Barbary pirates during the Napoleonic Wars, but he also profited during the conflict by selling his goods at higher prices. Much of his trade was conducted in the East Indies.

Girard's personal fortune and reputation grew. He began corresponding with some of the leading figures of the time, including Thomas Jefferson. By 1795 he was worth about $250,000; this figure doubled five years later, and by 1810 his fortune was valued at $2 million, making him one of America's first millionaires. He continued to prosper financially during the War of 1812, increasing his wealth to $4 million in 1819.

In the early 1800's, as tension increased between the United States and Great Britain, Girard anticipated a war, so he moved a portion of his assets from the shipping industry into banks. He invested some of his funds in the First Bank of the United States, which was located in Philadelphia. After the bank's charter expired in 1811, he bought its building, obtained its assets, retained many of its employees, and opened a private bank. Girard was the sole owner of his bank, which enabled him to avoid the restrictive laws that pertained to unincorporated banks with multiple owners.

Girard purchased other properties. In 1807, he bought an entire city block in downtown Philadelphia, initially intending to build an educational institution for orphans. However, he later decided to build this school on another property he purchased in 1831, and he changed his will to reflect this decision. A very private man, Girard delighted in writing his will in secret and did not allow anyone to know its contents. He was also a very particular man, writing detailed specifications of the size and shape of the school's buildings and the height and length of a wall to be constructed on the site. Besides his large number of properties in Philadelphia, he also purchased real estate in other parts of Pennsylvania, as well as in Kentucky and Louisiana.

Girard's bank was the principal financier of America's military effort during the War of 1812, generating the money the country needed in its conflict with Great Britain. His bank extended credit to the government to support its war loans. After the government chartered the Second Bank of the United States in 1816, Girard bought stock in the bank and became one of its directors.

During the latter years of his life, he contributed widely to charitable causes, including the orphans asylum and the Pennsylvania Hospital, where his wife had been committed. Although he was not a churchgoer, he made donations to many different churches. Girard died in 1831. His will bequeathed most of his wealth to various charities, including what would later become Girard College.

Girard College

Stephen Girard had no children of his own to whom he could bequeath his fortune. Instead, he left most of his money to establish a school for orphans in Philadelphia, stipulating that city officials appoint trustees to manage the institution. His original will dictated that the money must be spent to educate "poor, white, male, orphans." In his time, the term "orphan" defined children raised in female-headed households, and these children were among those admitted to the school.

Girard College opened in 1848, about thirteen years after Girard died. The project was delayed in part because Girard's French relatives legally challenged his will, hoping to inherit the money appropriated for the school. However, in a landmark opinion issued in 1844, *Vidal v. Girard's Executors*, the U.S. Supreme Court upheld the will's bequeathal provisions, as well as another condition of the will that was challenged in the litigation. Girard had stipulated that no ministers of any denomination could teach or visit the college. Opponents maintained that this restriction prohibited the college from teaching Christianity and violated Pennsylvania's constitution, which generally included Christianity as part of the state's common law and barred the operation of institutions deemed hostile to this religion. The Supreme Court, however, upheld the will's restrictions on ministers and maintained that the will did not ban the teaching of Christianity.

Girard College originally was intended to train students in mechanical trades. Students received job training and were then placed students in apprenticeships. Enrollment remained small throughout the nineteenth century.

After the U.S. Supreme Court ruled in *Brown v. Board of Education* (1954) that racially "separate but equal" schools were unconstitutional, several African American boys applied to Girard College. Despite the court decision, college officials denied admission, maintaining that Girard's will limited enrollment to white students. A group of African Americans sued, initiating a lengthy battle waged in both state and federal courts. Finally, the U.S. Supreme Court in 1968 upheld a district court ruling mandating racial integration. Girard College admitted its first black students in 1972.

Over the years, enrollment further expanded to include girls and students from single-parent households headed by men. In 2009, Autumn J. Atkins became the first African American and the first woman president of Girard College. By then, the college was a boarding school with about seven hundred students.

Legacy

Girard left two legacies to future generations. He helped establish the American banking system, setting it on a stable footing after the Revolutionary War. He also founded the school that bears his name and continues to operate in the twenty-first century, serving the needs of poor children. The money he left to create Girard College was the largest private charitable donation up to that time in American history.

—*Scott A. Merriman*

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See also: Moses Brown; Jay Cooke; Paul Cuffe; Elias Hasket Derby; Benjamin Franklin; John Hancock; Robert Morris; Samuel Slater; Israel Thorndike; Stephen Van Rensselaer III; George Washington.

Godric of Finchale

English merchant and saint

Godric of Finchale is generally remembered as a saint in the Roman Catholic Church, but he is also known for his early entrepreneurship, rising from poverty to wealth through sales, investments, and shipping.

Born: c. 1070; Walpole, Norfolk, England
Died: May 21, 1170; Finchale Priory, near Durham, England
Also known as: Saint Godric of Finchale; Saint Goderic
Sources of wealth: Sale of products; shipping; investments
Bequeathal of wealth: Unknown

Early Life

Godric of Finchale (GAW-drihk uhv FIHN-chayl), the son of father Æilward and mother Ædwen, was born into a medieval peasant family. From an early age, Godric helped supplement his family's sustenance through a variety of means, including scavenging for food. Although details are scanty, what is known about his early life comes from his hagiographical biography written by Reginald of Durham, his contemporary.

First Ventures

Godric's first business ventures were no doubt a result of family poverty. One of the earliest stories of his commercial enterprise describes how he scoured the mudflats for food to bring home to his family. He once walked for three miles, dragging home a dead dolphin as the tide rose behind him; he believed he was miraculously sustained and kept from drowning.

Apparently unwilling to participate in agricultural labor, or believing he could earn more money through other efforts, Godric became a pack peddler, initially selling his goods locally, probably on the farms around his home. He then expanded his territory and improved his wares, selling his merchandise in larger venues, in towns, at fairs, and, finally, in urban markets. It is believed that during this time he began to associate with other peddlers, no doubt to provide additional protection as well as to promote all of their products.

Mature Wealth

Successful sales on a limited scale apparently inspired Godric to enlarge his operations. As a result, he appears to have combined with others, and they chartered a boat for trade in Scotland and England, expanding their ventures to Denmark, Brittany, and Flanders. Due to his physical vigor (as described by his biographer), he was able to participate in this venture not only as a merchant but also as a sailor. He demonstrated outstanding abilities of seamanship and eventually became a steersman. He was also known for a remarkable ability to forecast the weather. Reginald of Durham describes how Godric was eventually elected captain on the basis of his abilities, both nautical and mercantile.

Godric had developed a serious nature by this time, inspired by visits to saints' shrines during his travels. His leadership qualities were probably bolstered by the fact that his colleagues knew him to have high standards of conduct. Ultimately, Godric is believed to have had a half ownership in one ship and a partnership in the goods shipped on a second one.

After sixteen years of these business ventures, he went on pilgrimage to Jerusalem, where, ironically, he was described as a "piratu," a term which probably combined both the meaning of "pirate" and the general description of a seafarer. Returning to England, Godric began to devote himself more seriously to his religious life, although he continued to support himself, first as the steward of a local estate (a position he gave up when he realized his employer's servants were stealing from local farmers) and then through sales. Ultimately, he sought a retired religious life as a hermit at Finchale, near Durham, where he built an oratory. Godric appears to have retained significant wealth, as demonstrated by an incident that occurred during the invasion of England by David I of Scotland. David's soldiers ransacked Godric's possessions and beat him in an attempt to find his treasure. Godric died in 1170 after being bedridden for the final years of his life.

Legacy

Godric of Finchale's major legacy is usually attributed to his religious life, but his business ventures also deserve attention. He seems to have been well ahead of his time in venturing into speculation and other areas of early entrepreneurship. Although it is difficult to estimate the magnitude of the wealth he made from his commercial enterprises, it appears to have been significant and makes him a worthy subject for study.

—*Susan Jones*

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See also: Aaron of Lincoln; Eleanor of Aquitaine.

Ogden Goelet

American real estate investor

Goelet was second only to the Astors in the amount of property he owned in New York City during the nineteenth century. He was one of the major developers and builders of Manhattan.

Born: June 11, 1846; New York, New York
Died: August 27, 1897; Cowes Roads, Isle of Wight, England
Source of wealth: Real estate
Bequeathal of wealth: Spouse; children; relatives

Early Life

Ogden Goelet (AHG-dehn goh-LEHT) was born in 1846 in New York City. He and his older brother Robert were heirs to a fortune started by their grandfather Peter Goelet (1727-1811). Peter had been an ironmonger, selling hardware and knives during the Revolutionary War. With his profits from this enterprise, Peter began buying Manhattan real estate. When he died in 1811, his sons, Robert (Ogden's father) and Peter, inherited his properties, which were worth $400,000. Robert and Peter continued to buy property and rarely sold any of their real estate, thus continually increasing the value of their holdings.

First Ventures

In 1878, Ogden Goelet married Mary Rita Wilson (1855-1929), the oldest daughter of Richard Thornton Wilson, a prominent banker and stockbroker. Years later, Mary's sister Grace married Cornelius Vanderbilt, Jr., making the younger Vanderbilt Goelet's brother-in-law. Ogden and Mary had two children—Mary "May" Wilson (1879-1937) and Robert (1880-1966).

Ogden and his brother inherited their fortune in 1879, the year that both their father, Robert, and their bachelor uncle, Peter, died. Robert and Peter had substantially added to their father's Manhattan real estate holdings. Among their more important purchases were eighty vacant lots above Forty-second Street between Fifth and

Sixth Avenues, which they bought for $600 per lot. Much of the property they inherited was located along Broadway, north of Fourteenth Street. One of Ogden's first building ventures was constructing a mansion for his family at 608 Fifth Avenue.

Mature Wealth

Ogden and his brother, Robert, began developing many of the properties they inherited. Some of the construction projects they undertook were the Gorham Building at Broadway and Nineteenth Street (1883), the Goelet Building at Broadway and Twentieth Street (1886), and the Judge Building at Fifth Avenue and Sixteenth Street (1889). The brothers managed these buildings, along with other properties they inherited, such as the Knickerbocker Theater at 1400 Broadway, the Hotel Imperial at 1250 Broadway, and the San Carlo Apartment Building at Broadway and Thirty-first Street. Following their grandfather's and father's leads, they rarely sold property and continued to amass real estate.

Goelet was one of the founders of the Metropolitan Opera, and he was known to be a financial supporter of the arts and many charities. In 1892, the Goelet brothers built neighboring mansions on Ochre Point in Newport, Rhode Island. Goelet's mansion, Ochre Court, was second only in size to Cornelius Vanderbilt's mansion The Breakers.

Goelet was an avid yachtsman and a member of the New York, Knickerbocker, Metropolitan, Union, Racquet, and Seawankaka Yacht clubs. His first schooner was the *Norseman*, and in 1896 he commissioned the building of the *Mayflower.* After several years of poor health, he died onboard the *Mayflower* while it was anchored at Cowes Roads, England. At the time of his death in 1897, his estate was estimated to be worth $80 million.

Legacy

Ogden Goelet was an important landowner and developer of New York City, notably the borough of Manhattan. Goelet family members retained their wealth in the twentieth and twenty-first centuries and remained prominent in the development of Manhattan and other parts of New York City. Ogden's grandson Robert and his wife, Alexandra, a member of the Gardiner family, inherited Gardiner Island in Suffolk County, New York; their son, Robert Gardiner Goelet, was a manager of the Lower Manhattan Development Corporation. Another branch of the family became vintners, producing the Clos Du Val wine brand in California's Napa Valley and four other brands in Australia and France. In 2007, the Goelet family announced the formation of Goelet Wine Estates, a new business venture that would globally market its brands.

—*Polly D. Steenhagen*

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See also: John Jacob Astor; William Backhouse Astor, Jr.; Edward C. Clark; Anthony Joseph Drexel; Cornelius Vanderbilt.

ROBERTO C. GOIZUETA
American corporate executive

Goizueta, a Cuban immigrant, rose through the corporate ranks to become president of the Coca-Cola Company, increasing the corporation's stock price and expanding its market share. A major philanthropist, he made significant contributions to the city of Atlanta, Georgia.

Born: November 18, 1931; Havana, Cuba
Died: October 18, 1997; Atlanta, Georgia
Also known as: Roberto Crispulo Goizueta
Sources of wealth: Inheritance; manufacturing; sale of products; investments
Bequeathal of wealth: Spouse; children; educational institution

EARLY LIFE

Roberto Crispulo Goizueta (roh-BERH-toh KREES-pew-loh goy-ZWEH-tah) was born in Havana, Cuba, to well-to-do parents. His architect father, Crispulo D. Goizueta, owned a construction business, and his mother, Aida Cantera Goizueta, was a sugar plantation heiress.

Young Goizueta attended Belen, a private, Jesuit-run school in Havana. He met Olguita ("Olga") Casteleiro while the two were students. Before the two left Cuba in 1948 to attend American preparatory schools, they agreed they would marry.

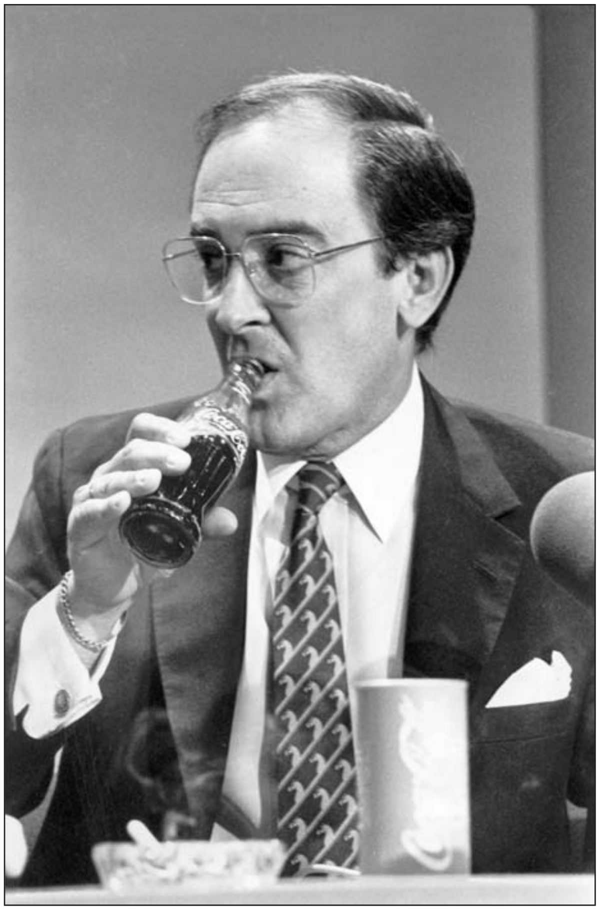
Goizueta was valedictorian of Cheshire Academy in 1949, and he then entered the chemical engineering program at Yale University. He and Olga married in Havana after his 1953 graduation from Yale. The couple had four children: Roberto S., Olga Marie, Javier, and Carlos Alberto, who died from leukemia at the age of four.

FIRST VENTURES

Goizueta became his father's assistant in Havana. In 1954, he answered an advertisement for an English-speaking chemical engineer at an American company. After interviewing, he accepted the job—overseeing production in Cuba's three Coca-Cola Company plants. With an $8,000 loan from his father, Goizueta purchased one hundred shares of Coca-Cola stock.

After Fidel Castro took control of Cuba in 1959, he began threatening wealthy families and nationalizing large companies. In 1960, Goizueta sent his children to live with his wife's family, who had relocated to Miami. Not long after that, Goizueta and his wife also fled to Miami, taking only $200 and their Coca-Cola stock. A few days after their departure, Castro seized the Cuban Coca-Cola plants and prohibited executives from leaving the country.

Goizueta worked as an assistant to the senior vice president of Coca-Cola's Latin American operations. He commuted from Miami to Nassau before relocating in 1964 to Atlanta, Georgia, the location of Coke's corporate headquarters. At the age of thirty-five, Goizueta was promoted to the position of vice president of technical research and development. He became an American citizen in 1969, and five years later he was made senior vice president of Coca-Cola's technical division. Goizueta was one of only two people in the company who knew Coke's secret formula for making its soft drink. He was promoted to vice president of the company in 1979, re-



Roberto C. Goizueta sips a Coca-Cola during a news conference to announce the introduction of "Classic Coke." (AP/Wide World Photos) sponsible for operating its laboratories and the legal department.

Mature Wealth

In 1980, after more than twenty-five years of employment at Coca-Cola and continual promotion, Goizueta took over as president and chairman of the board of directors; the following year he became chief executive officer. He held these positions until his death in 1997. During his presidency, Coca-Cola became the world's largest producer, distributor, and marketer of nonalcoholic beverage syrups and concentrates. His marketing skills created more wealth for shareholders than they had received during the administration of any other chief executive officer. In 1982, the company introduced a new drink, Diet Coke. The company began marketing its products in Eastern Europe and became a major sponsor of the 1992 Olympics. Goizueta also approved his company's purchase of Columbia Pictures; Coca-Cola earned $1.5 billion when it sold Columbia to the Sony Corporation in 1989.

Goizueta's marketing and managerial skills resulted in record dividends for shareholders, with the company's stock increasing 7,000 percent during his presidency. An investor who purchased $1,000 worth of shares in 1981 would own stock valued at $71,000 by 1997. Goizueta himself had bought additional Coca-Cola stock through the years. By 1997, he owned sixteen million shares. He was the first American to become a billionaire at a company he had neither founded nor taken public.

Goizueta was diagnosed with lung cancer in 1997, but he continued to work, conducting business from a hospital room equipped with a stock terminal and fax machine. He died on October 18, 1997, survived by his wife, three children, and eight grandchildren.

Legacy

Goizueta was one of the most important executives in the history of the Coca-Cola Company. During his tenure as president, the price of the company's stock increased and Coke significantly expanded its products and markets.

Goizueta was an equally impressive philanthropist who made major contributions to the city of Atlanta. He and his wife established the Goizueta Folklife Gallery at the Atlanta History Center in memory of their son Carlos Alberto Goizueta; he founded the Goizueta Foundation, which makes grants to assist charitable and educational organizations in Atlanta. He helped support other institutions, such as the Boys and Girls Clubs and the Atlanta Symphony Orchestra, and he served as a trustee of Emory University. In 1994, the university's business school was renamed in his honor.

—Anita Price Davis

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See also: Emilio Bacardi; Jeff Bezos; Edgar Bronfman, Sr.; Samuel Bronfman; Adolphus Busch; Ernest Gallo; Edward Cecil Guinness.

Jay Gould

American railroad magnate and stock speculator

Gould rose from a modest background to become a major railroad owner and stock market speculator. His sharp business practices were widely criticized and contributed significantly to the growth of the "robber baron" image of American businessmen.

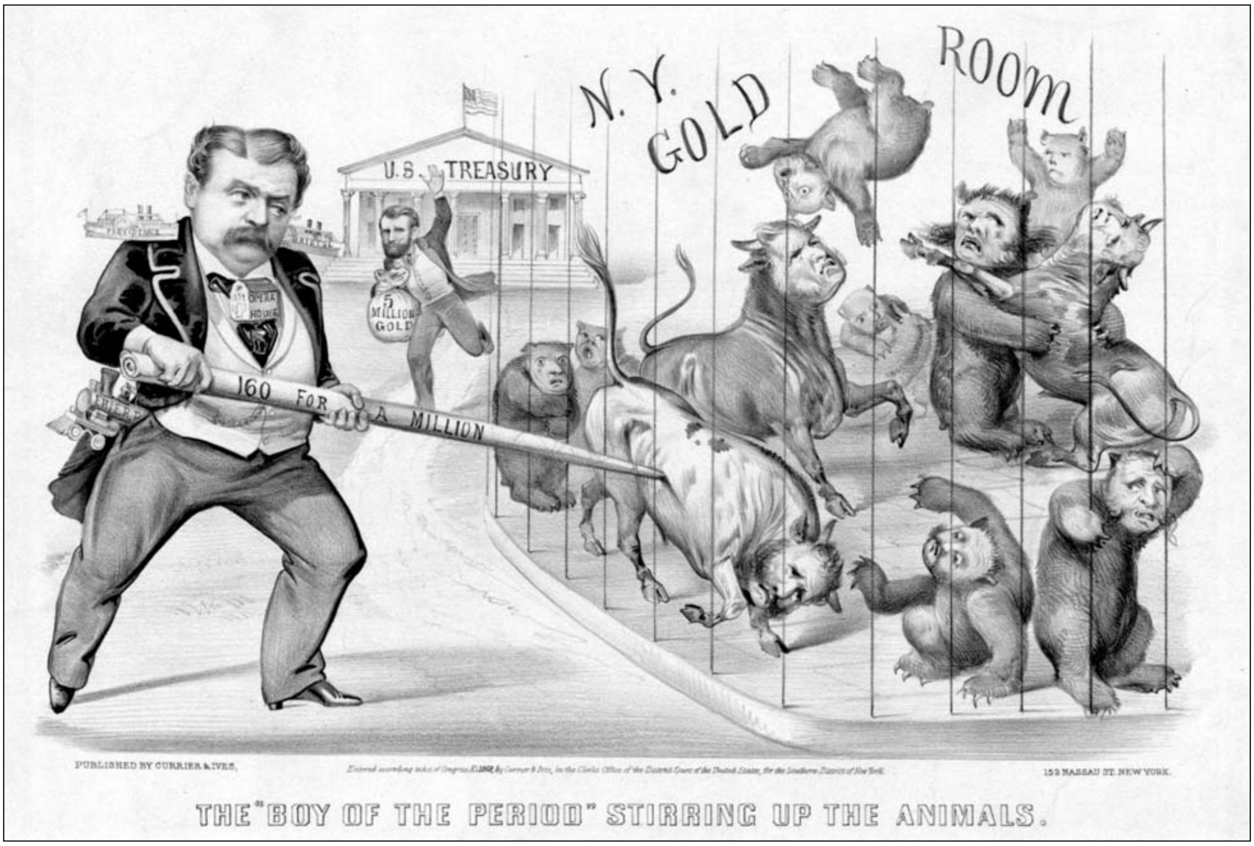
Born: May 27, 1836; Roxbury, New York
Died: December 2, 1892; New York, New York
Also known as: Jason Gould
Sources of wealth: Railroads; investments
Bequeathal of wealth: Relatives

Early Life

Jay Gould, who was christened Jason Gould by his parents, was born on a small farm in upstate New York. His parents also ran a small country store. Gould considered his youth an impoverished one and recalled it in his later years as bleak. He attended a local school, and while working as a clerk in his father's store, he taught himself mathematics and the rudiments of surveying. He arranged to attend Hobart Academy by agreeing to live with a nearby blacksmith in return for doing the bookkeeping for the blacksmith's business. Between the ages of eighteen and twenty-one, he conducted surveys of several regions in New York, Ohio, and Michigan. By the time he was twenty-one, he had saved about $5,000 and sought to establish a business of his own.

First Ventures

Gould's first major business undertaking was a tannery he established near Lehigh, Pennsylvania, in 1856. His partner in this business was Zadock Pratt, a New York farmer and businessman with experience in the tanning industry. Pratt apparently supplied most of the capital, while Gould was to manage the tannery. When Pratt



This Currier & Ives print from 1869 depicts Jay Gould attempting to corner the gold market, represented by bulls and bears in a cage. (Library of Congress) became dissatisfied with Gould's performance in the business, Gould bought out Pratt's interest in partnership with two New York City leather merchants, Charles M. Leupp and David Lee. These new partners, however, soon fell out over Gould's plans for expansion and speculation. Leupp committed suicide in 1859, and Gould and Lee fought in court for several years over control of the firm before Gould finally sold out his interest in 1868. In 1859, Gould entered into a partnership with three other men to deal in hides and leather in New York City.

After this firm broke up, Gould bought $50,000 worth of bonds of the Rutland and Washington Railroad, a New England line that had never prospered, from D. M. Wilson, one of his former partners. Convinced the line was a losing proposition, Wilson sold his bonds to Gould for ten cents on the dollar. Gould eventually took control of the railroad. He later merged Rutland and Washington with a New York line, the Rensselaer and Saratoga, and eventually sold his interest in the line for a considerable profit. Gould said that when he got into the railroad business, he "left everything else." Although this remark was not entirely truthful, owning and operating railroads and speculating in railroad securities would be Gould's major occupation for the remainder of his life.

Lyndhurst Mansion

In 1880, Jay Gould purchased the Lyndenhurst Estate from the family of George Merritt, who had been the second owner of the mansion. Gould used it as a summer home until his death in 1892, and it remained in the Gould family until the 1960's. The mansion, which overlooks the Hudson River near Tarrytown, New York, is considered one of the most impressive examples of Gothic Revival architecture in the United States.

The home, which was designed by architect A. J. Davis, was built by former New York City mayor William Paulding in 1838. Paulding named his estate Knoll, but critics often referred to the mansion as "Paulding's Folly" because the elaborate style of the home, with turrets and towers, was so markedly different from anything else in the country at the time.

Merritt, a wealthy New York merchant, was the second owner of the estate. He named it Lyndenhurst because of the linden trees on the property. Merritt engaged Davis to do a major enlargement of the mansion, doubling its size in the mid-1860's. Merritt also hired the English landscape architect Ferdinand Mangold to plan the layout of the grounds of the estate.

When Gould purchased the estate, he shortened the name to Lyndhurst, the name it retained into the twenty-first century.

When Gould died, he left the estate to his daughter Helen Gould, who later married Finley J. Shepherd, an official of the Missouri Pacific Railroad. They made Lyndhurst their home for the rest of their lives. When Helen Gould Shepherd died in 1938, her sister Anna, who had married a French aristocrat and acquired the title duchess of Talleyrand-Perigold, returned from France, purchased Lyndhurst from her sister's estate, and lived there the rest of her life. She arranged to bequeath the estate to the National Trust for Historic Preservation, and this bequest was carried out upon her death in 1961. In 1966, Lyndhurst was placed on the National Register of Historic Places and designated a National Historic Landmark.

In the twenty-first century, the mansion continues to be open for public tours, and a variety of educational programs are offered to teach elementary, middle school, and high school students about the Gilded Age and the Industrial Revolution of the late nineteenth century. Because the mansion symbolizes much of what many regard as typical Gothic architecture, it has been a popular setting for several films and television episodes.

Mature Wealth

In the 1860's, Gould became a stock trader in New York City, devoting special attention to railroad securities. His worth at this time was estimated to be around $80,000. Still, at this point he was a relatively minor figure in the New York business world. His rise to prominence began when he was elected to the board of directors of the Erie Railroad in the fall of 1867. James Fisk was elected to the board at the same time; Daniel Drew was the treasurer and controller of the Erie. Together, Gould, Fisk, and Drew desired to take complete control of the Erie and to block attempts by Cornelius Vanderbilt to gain control and merge Erie with his New York Central railroad system. Gould and his fellow conspirators issued a huge amount of new Erie stock, without any legal authorization to do so. They then made numerous bribes to New York politicians and judges to get retroactive approval for these stock offerings. With his own holdings in the Erie devalued because of these new stock issues, Vanderbilt eventually gave up his efforts to take control of the railroad and sold his holdings. After Gould had obtained virtually total control of the Erie, he expanded the company and took on excessive debt. This forced the company into bankruptcy in 1875, but by that point, Gould had made much money from speculating in the line's stock.

In 1869, Gould took control of the Wabash Railroad, a midwestern "granger" line that hauled considerable quantities of farm commodities. Gould believed that if he could push up the price of gold, this would weaken the U.S. dollar; favorable exchange rates would lead foreign merchants to buy more American grain, thus increasing the amount of freight on the Wabash. Therefore, he attempted to corner the market on gold in the United States in the summer and fall of 1869. When the U.S. Treasury realized what Gould was doing, it began selling gold from the government's holdings, driving the price downward. A panic hit Wall Street on September 24, 1869, or "Black Friday." Gould had speculated in both gold and Wall Street stocks, and he lost a great deal of money in this panic.

Due to a downturn in business during the Panic of 1873, about half of the railroads in the United States went into bankruptcy over the next few years. Gould and Vanderbilt, working on their own and often at odds with one another, bought controlling interests in many of these lines. Gould bought much stock in the Missouri Pacific and Union Pacific Railroads when stock prices were low, and a few years later when prices rebounded he sold out and reaped great profits. It was estimated that he made $10 million from his sale of Union Pacific stock alone. By the mid-1870's, Gould's fortune was thought to be in the range of $30 to $50 million.

At one point in his career, Gould controlled about half of the total railroad mileage in the Southwest, with his control of the Missouri Pacific, the Texas and Pacific, the St. Louis Southwestern Railway, and a short line known as the International and Great Northern Railroad. In 1881, he bought partial control of the elevated street railway system in New York City, and by 1888 he controlled virtually all of it. While railroads were his major business focus, Gould also owned the *New York World* newspaper from 1879 until 1883. In 1879, he bought American Union Telegraph Company, merging it into Western Union Telegraph Company in 1881; by the end of the 1880's, Western Union dominated the American telegraph industry.

Gould made relatively small gifts to various charities throughout his lifetime. In his later years, his daughter Helen oversaw the dispersal of such gifts. Gould never sought to impress or placate the public through large philanthropic gestures, and in fact he was often criticized by opponents in the press for gifts that were perceived as too small for a man of his wealth, or purely hypocritical given his reputation for ruthlessness in business.

After a long battle with tuberculosis which gradually weakened him, Gould died in 1892. His estate was estimated at more than $70 million. His wife had predeceased him, so his fortune was left to his children, each to receive an equal one-sixth share after certain special bequests were made.

Legacy

Gould rose from modest beginnings to become a major figure in the railroad industry and in stock trading in the United States. However, he was widely scorned as a sharp operator who manipulated the stock prices of the companies he controlled with no concern for the long-term health of the companies or the dividends paid to investors. When he died, the obituaries in many major American newspapers were openly critical. The *New York Herald* opined that Gould's wealth "had been purchased at too high a price."

In an era known for the excesses of the wealthy leaders of big business, Gould became one of the most hated of the "robber barons." However, business historian Maury Klein has argued that Gould should be considered one of the two or three most important figures in the development of the American economy in the late nineteenth century.

—Mark S. Joy

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See also: John Insley Blair; Jim Brady; William Andrews Clark; Jay Cooke; Daniel Drew; Henry M. Flagler; John W. Garrett; Edward H. Harriman; James J. Hill; Mark Hopkins; Collis P. Huntington; Daniel Willis James; George Mortimer Pullman; Russell Sage; Leland Stanford; William Thaw; Cornelius Vanderbilt; William Henry Vanderbilt.

Katharine Graham

American newspaper publisher

Graham inherited The Washington Post *from her father and husband and then used her knowledge and experience to increase her wealth and improve her newspaper.*

Born: June 16, 1917; New York, New York
Died: July 17, 2001; Boise, Idaho
Also known as: Katharine Meyer (birth name); Kay Graham
Sources of wealth: Inheritance; media
Bequeathal of wealth: Children

Early Life

Katharine Meyer Graham was born in 1917 in New York City, the fourth of five children of Agnes (née Ernst) and Eugene Meyer. During Graham's preschool years, her wealthy parents lived in Washington, D.C., and left their children in New York under the care of nannies, governesses, and tutors. In later years, the children joined their parents in Washington and summered in Mount Kisco, New York. Despite their financial privilege and closer physical proximity, the Meyer children still received minimal attention from their parents.

Graham attended elite schools, including the prestigious Madeira School for Girls. At Madeira and during her one-year stay at Vassar College, Graham worked on the school newspapers. For her sophomore year of college, Graham transferred from Vassar to the more liberal University of Chicago. During summer intersession Graham worked at *The Washington Post*, a once financially strapped newspaper that her father had purchased at auction in 1933 for $825,000.

First Ventures

After receiving her B.A. in 1938, Graham spent several months earning $21 a week as a reporter for the *San Francisco News*. The following year Graham's father persuaded her to return to Washington to join the editorial staff of the *Post* for $25 a week. On June 5, 1940, Katharine married Philip Leslie Graham and took on the more traditional role of wife and mother to their children—Elizabeth, Donald, William, and Stephen. During World War II, Philip joined the army, and Katharine followed him from base to base. Later, when Philip was stationed overseas, Katharine returned to work at the *Post*.

Katharine Graham. (Time & Life Pictures/Getty Images)

When Graham's husband was discharged, her father ignored his daughter and offered his son-in-law the position of associate editor of the newspaper. In 1948, the Grahams gained controlling interest in the *Post* through a $1 sales and purchase agreement. In this transaction, Philip received a far greater portion of the newspaper's stock and ultimately leadership rights. Six years later, Philip purchased the *Washington Times-Herald* and merged it and the *Post*. He later acquired *Newsweek* magazine, a news service, and radio and television stations. As the Washington Post Company grew and the stature of the newspaper increased, Philip's health failed. Manic depression and alcoholism resulted in a downward spiral that ultimately ended in his suicide.

Mature Wealth

On September 20, 1963, Katharine Graham was named president of the Washington Post Company. While a bit unsure at first, Graham soon familiarized herself with the company, made the right contacts, and began transforming the *Post* into a highly respected national newspaper. In 1965, the newspaper gained further prestige when Graham hired Benjamin C. Bradlee as its managing editor. Graham became publisher in 1969.

During the 1970's, Graham's company began publicly trading its stock, and she took an active role in negotiating labor issues. She challenged a court order and won the right to publish portions of the Pentagon Papers. She supported reporters Carl Bernstein and Bob Woodward in their aggressive coverage of the Watergate scandal, earning her newspaper even greater prestige. Graham remained as president until 1973, when she took on the new role of chair of the board of directors and chief executive officer of the Washington Post Company. Throughout the decade that began in 1975, the company's profits increased more than twenty percent each year.

While Graham continued as chief executive officer until 1991 and board chair until 1993, her son Donald took over as publisher in 1979. In 1989, the Washington Post Company was listed in *Fortune* magazine as one of the nation's most profitable businesses.

Legacy

During Graham's years of leadership, the Washington Post Company's revenue increased from $84 million to $1.4 billion. Upon her retirement, Graham's personal assets were worth more than $500 million. In 1997, Graham published her Pulitzer Prize-winning biography, *Personal History*. During these later years, her philanthropy centered on public education, day care, a teenage shelter, and a senior-citizen center. She also helped raise funds for breast cancer research.

Graham's management of her company began during the women's movement of the 1970's, and she became a role model for many other women who sought careers as business executives. She also proved her journalistic savvy by hiring Bradlee as the *Post*'s managing editor and supporting his efforts to improve the newspaper's coverage. Her commitment to quality journalism enabled her newspaper to take the lead in covering the Watergate scandal and to improve its reporting in many other areas, becoming one of the nation's great newspapers.

—*Cynthia J. W. Svoboda*

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See also: Walter Annenberg; Barbara Cox Anthony; Michael Bloomberg; Anne Cox Chambers; John H. Johnson; Robert L. Johnson; John Kluge; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; Ted Turner.

Hetty Green

American financier and investor

A successful businesswoman in an era when few women ventured into the male world of Wall Street, Green made millions of dollars through savvy investing, judicious lending, and careful guarding of the family fortune, but she was better known for her extreme parsimony. The Guinness Book of World Records *named her among the world's greatest misers.*

Born: November 21, 1834; New Bedford, Massachusetts
Died: July 3, 1916; New York, New York
Also known as: Henrietta Howland Robinson (birth name); Witch of Wall Street
Sources of wealth: Inheritance; investments; real estate
Bequeathal of wealth: Children

Early Life

Henrietta Howland Robinson Green was born into the bustling, commercial world of New Bedford, the city described in Herman Melville's novel *Moby Dick: Or, The Whale* (1851). A small city in Massachusetts, New Bedford was the center of the worldwide whaling industry, and Green's grandfather, Isaac Howland, Jr., founded one of the city's most important whaling firms. Green's father, Edward Mott Robinson, married Isaac's daughter Abby, inherited the whaling company, and continued its success. Robinson wished for a son to carry on the family business, but the only son born to Abby and Edward died in infancy. Their daughter, Hetty, born in 1834, received the scanty education deemed sufficient for a young society woman: a few years at a Quaker boarding school and a few more at a finishing school, where she learned to dance and play piano. Green, however, was not content to spend her life dancing and playing piano. From an early age, she showed a keen interest in her father's business, and she accompanied him on his rounds of the wharves, warehouses, and commissaries of New Bedford. In later life, Green claimed that she learned to read sitting on her father's knee as he read business news and stock market reports, listening and absorbing everything.

First Ventures

When Abby Robinson died in 1860, Edward Robinson, foreseeing the decline of whaling, joined a New York shipping firm. Green remained in New Bedford with her invalid aunt, Sylvia Ann Howland, whose $2 million fortune Green hoped to inherit outright. Instead, Howland's 1865 will divided her estate among servants and charities, with only $1 million in trust for Green. Despite having just inherited $6 million from her father's estate, Green was furious. She spent years in a legal battle to challenge the will. She claimed that her aunt's earlier 1862 will, which left the bulk of her fortune to Green, was valid, and Green produced a document, known as the "second page," that revoked all wills made before and after the 1862 will. Opposing lawyers claimed Howland's signature on this document was forged. The case was finally settled in 1868; Green lost, but by then she had moved on.

In 1867, thirty-three-year-old Hetty Robinson married forty-six-year-old Edward Henry Green, a successful businessman. Perhaps fearing she could be charged with forgery, Hetty sailed to London with her husband and lived abroad for several years. In England, she continued the investment strategy she had begun with United States bonds and also started to invest in railroads. As America grew following the Civil War, so did her fortune. At a time when a fortunate worker earned an average weekly wage of $5, Green boasted of making $200,000 in a single day. Yet her appearance belied her wealth. Some accounts describe Green in shabby dress, bargaining with shopkeepers for free bones for her dog.

Mature Wealth

The Panic of 1873 caused havoc in the stock market. Edward and Hetty Green were not affected, but they decided to return to America in order to keep a close eye on their investments. With their two children, Ned (born 1868) and Sylvia (born 1871), they moved to Edward's hometown of Bellows Falls, Vermont. For a few years, Hetty lived a relatively conventional life, raising her family while Edward traveled to New York to tend to business. Another financial crisis ended this domestic phase of her life and thrust her into the spotlight as America's richest woman. When Cisco and Son, a Wall Street firm, collapsed in 1885, Hetty was its largest creditor; its largest debtor was her husband, Edward Green. Hetty withdrew her holdings and refused to cover her husband's debts. It was, in effect, the end of the marriage, though the couple never officially divorced.

From this point on, Green was determined to control her own destiny, financial and otherwise. She threw herself into the intensely competitive world of finance. Green proved to be the equal of the great Gilded Age capitalists in all but her style of living. While some millionaires built Fifth Avenue mansions, Green and her children shuttled through a series of working-class flats in Brooklyn and Hoboken, New Jersey. By having no fixed residence, Green hoped to avoid paying taxes. She even was said to have left Hoboken after she was served a summons for refusing to pay a $2 license fee for her dog. While Green's penny-pinching ways seemed like amusing eccentricities to some, her frugality had a darker side. Her son Ned had injured his leg in a childhood accident and continued to suffer from pain and lameness. Green, dressed in her oldest clothes, would beg doctors to treat Ned as a charity case. When one specialist learned the truth, he demanded Green pay in advance. She refused. Eventually, in part due to delays in treatment, Ned's leg had to be amputated. Although Ned never publicly blamed his mother for the loss of his leg, he went on to live a life that belied Green's frugality.

Green took up unofficial headquarters at the Chemical National Bank in New York, where she was said to heat oatmeal on an office radiator to avoid paying restaurant prices. There, she managed her ever-growing empire, which included real estate in New York, Boston, and Chicago, as well as railroads, government bonds, and municipal lending. Acting as a one-woman bank, Green loaned money to cities ranging from Tucson, Arizona, to New York, allowing them to finance civic improvements. During financial panics, when banks refused to lend and many businesses were in danger of failing, Green continued to give loans to businesses she considered sound, trusting that her investment would be returned when the crisis passed. Despite her reputation as a miser, she charged a fair rate of interest. She also showed compassion to her estranged husband, nursing him during his final illness in 1902.

Interviews with Green show a no-nonsense, unpretentious woman with a sense of humor and a surprisingly forward-thinking outlook. She expressed sympathy for striking workers and criticized child-rearing conventions that encouraged boys to be active, while girls were encouraged to focus on pretty clothes. However, this human side of Green was seldom seen in the press, as the image of a female Ebenezer Scrooge came to dominate her public persona. Articles described her as a dour, wizened skinflint. Perhaps in response to these stories, Green made a few ventures into society, at least long enough for her daughter Sylvia to meet and marry an appropriate man. In a photograph taken on Sylvia's wedding day, Green appears as a respectable dowager in a feathered hat and lace-trimmed dress. Since she had been assured that her son-in-law would lay no claim to Sylvia's inheritance, Green approved the marriage. She was less approving of her son Ned's long-term relationship with Mabel Harlow, a former showgirl and reputed prostitute; wisely, Ned waited until after his mother's death to wed Mabel. Still, he proved himself his mother's son: He had Mabel sign a prenuptial agreement before the wedding.

Prenuptial Agreements

Hetty Green was frugal and cautious in every aspect of her life, including marriage. When she wed, she chose a well-to-do businessman who brought his own income to the marriage. It was rumored that Hetty also took another step to ensure that Edward Henry Green was no fortune hunter. Many biographers claim she had Edward sign a prenuptial agreement waiving all claim to her estate should she die before him. No record of this agreement has been found, but given that Hetty later asked her daughter's suitor to sign a similar agreement, the story is probably true. After her long court battle to overturn her Aunt Sylvia's will, Hetty was obsessed with keeping the Howland family fortune in the family. Matthew Astor Wilks, who married Hetty's daughter Sylvia, was a great-grandson of millionaire John Jacob Astor and a millionaire in his own right, but Hetty left nothing to chance. In her will, she left Wilks a $5,000 bequest to thank him for renouncing all rights to Sylvia's estate.

Prenuptial agreements, sometimes known as antenuptial agreements or premarital contracts, are designed to protect the assets of one or both spouses during marriage and after divorce or death. They may specify assets to be exempted from community property, protect family property, make provisions for children of a previous marriage, or outline specific financial responsibilities for each partner. While prenuptial agreements have become more popular since the late twentieth century, older marriage contracts, such as the ancient Hebrew *ketubah* and the medieval dowry, have existed for thousands of years. Although hardly romantic, such contracts are undeniably practical and may prevent costly, protracted lawsuits following the dissolution of the marriage.

As a woman living in nineteenth century America, Hetty Green would have been well aware that the law often favored men. By insisting on a prenuptial agreement for her daughter (or, as rumored, for herself), she protected hard-won assets and ensured financial independence at a time when many women still relied on husbands or male relatives to handle their finances.

Green remained active in business into her eighties, but shortly after her eighty-first birthday, she suffered a stroke. Legend claims that Green died following an argument with her friend's cook over the virtues of skimmed milk, but this may be an exaggeration. It is known that Green suffered a series of strokes over several months. She died on July 3, 1916, and was buried with her husband, Edward, in Bellows Falls. Estimates valued her estate at between $100 and $200 million.

Legacy

Hetty Green's name is seldom mentioned among the great capitalists of the Gilded Age—men like John D. Rockefeller, Andrew Carnegie, and J. P. Morgan—yet she was their peer and equal. Refusing to accept the domestic role her society assigned to women, Green built her whaling inheritance into a Wall Street fortune through her own daring and persistence. Her motto "Buy cheap and sell dear" served her well, allowing her to weather financial panics without losses.

While Green inherited $7.5 million, she left her children a fortune of $100 to $200 million. Yet as much as Green enjoyed creating wealth, she seemed to lack the ability to enjoy the benefits of her labor. Green did not merely eschew luxuries; she often denied herself and her children such basic necessities as adequate clothing, comfortable housing, and even medical care. Wearing the same faded black dress year after year, washing only the dusty hem to save on laundering, she earned herself the miserly "Witch of Wall Street" label that has overshadowed her undeniable accomplishments.

—*Kathryn Kulpa*

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See also: Daniel Drew; George F. Baker; John Insley Blair; William Andrews Clark; Anthony Joseph Drexel; Stephen Girard; Andrew Mellon; Richard B. Mellon; George Peabody; Russell Sage.

SIR THOMAS GRESHAM

English merchant banker and government financial official

Gresham was a merchant banker who understood the financial forces of the later sixteenth century. He was thus able to service England's foreign debt and maintain a steady flow of money to the government. One of his final projects was to build the Royal Exchange, thus helping to establish London as a world financial center.

Born: 1518 or 1519; London, England
Died: November 21, 1579; London, England
Sources of wealth: Inheritance; banking; government
Bequeathal of wealth: Spouse; charity; educational institution

EARLY LIFE

Sir Thomas Gresham (GREHSH-ahm) was one of four children and the younger of two sons born to Sir Richard Gresham. Thomas's father and uncle were mercers—merchants in cloth and textiles—with European connections, especially in the Netherlands and in Paris. Thomas probably attended Gonville Hall in Cambridge before he was seventeen. At that age, he was apprenticed to his Uncle John in the company firm, the House of Gresham, where he learned the clothing and textile trade. His older brother, also named John, preferred to become a country gentleman, his family having acquired property in Norfolk. This gave Thomas the opportunity to take over the family business.

FIRST VENTURES

During the period from 1535 to 1547, Richard sent Thomas to Paris, where Thomas was to perfect his knowledge of French and to become acquainted with his family's business contacts. Thomas was also admitted to Gray's Inn, a law college, to study the legal side of the business. Most important, Richard taught Thomas about the family's trade with the Netherlands, which at that time was ruled by the Habsburg Dynasty and included both the Netherlands and Belgium. Since the Middle Ages, the Netherlands had been central to the textile industry, and in the sixteenth century, the city of Antwerp (now in Belgium) was an important port and the trade center of northern Europe. As the city was under the rule of Holy Roman Emperor Charles V, who was also king of Spain, most of the gold from the New World flowed from Spain and Portugal through Antwerp. Thomas learned Flemish, a variant of Dutch, which would later be one of Belgium's two languages.


Sir Thomas Gresham. (Hulton Archive/Getty Images)

In 1543, Thomas Gresham had completed his apprenticeship and was admitted to the freedom of the Mercers' Company, which meant he was free to trade on his own account. By this time, Thomas Cromwell, King Henry VIII's chief minister, and other royal officials had noted Gresham's dealings on behalf of his father. Soon, he was entrusted with small government commissions abroad. In 1544, Gresham married Anne Fearnley, the widow of another mercer, and took over her late husband's business and property. They had one son, Richard, born in 1547.

Gresham's career was threatened by an incident that occurred in 1545. Charles V seized Gresham's goods in Brussels because of delays in payment, but this merchandise eventually was returned. By the next year, Gresham was in charge of all of the Gresham commercial operations in the Netherlands, which had expanded from textiles to tapestries, armor, and weapons.

The period from 1546 to 1551 was a difficult time for English trading companies. Henry VIII and his son, Edward VI, were overspending. Subsequently, the English currency became debased. A bimetallic system of currency was introduced and resulted in English textiles becoming overpriced when sold in other nations. Gresham tried to sell cheaper woolen garments in order to keep prices down, but this was only partially successful and his volume of trade declined. Gresham was able to make up for this loss by trading in metals, and by 1551 the House of Gresham had secured a leading place in Anglo-Netherlands commerce.

Mature Wealth

Beginning in 1551, Gresham served as royal agent for the English crown, borrowing money on the foreign exchange and managing the nation's national debt. In assuming this position, Gresham should not have had conflicting interests, and therefore should have stopped running the family business abroad. However, royal favor was fickle, and government officials were inexperienced in dealing with the rapidly developing money markets. Gresham often lost his government post, only to be reappointed when government officials were encountering financial difficulties. Invariably, Gresham managed to sort out the nation's finances and renegotiate its debt on more advantageous terms. However, he wisely kept a discreet hand on the activities of his family's business while performing his government duties. Gresham was making a lot of money, both from the family business and through fees from the Crown. He bought a town house, managed his wife's property, and looked after his aging father's estates at Inwood in Norfolk, which he inherited in 1549. The 1550's were the busiest time of his life.

When Elizabeth I ascended to the throne in 1558, Gresham had the trust of her chief minister, the first earl of Salisbury, and for the first time Gresham was able to act on his own initiative on behalf of the Crown. He was knighted in 1559 and was appointed ambassador to the court of the duchess of Parma, the most important Spanish grandee in the Netherlands. In 1560, he helped reform the English coinage system, and the following year he reorganized the Custom House in London. By 1565, Gresham had reduced England's debt abroad, which at one time was £336,113, to only £20,000.

Gresham's Law

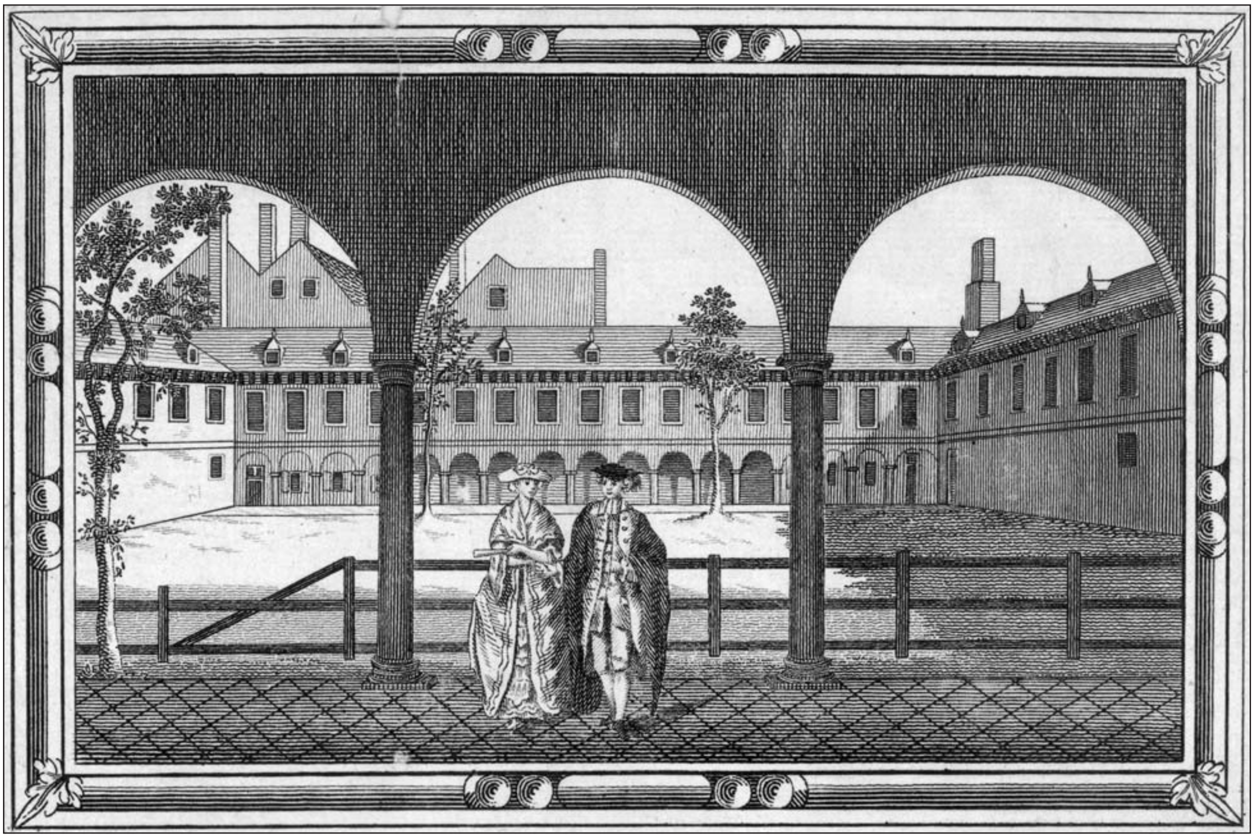
Sir Thomas Gresham did not formulate thelaw that is commonly stated as "bad money drives out good." Instead, this economic principle was named after Gresham by British economist Henry Dunning MacLeod in 1858. MacLeod noted Gresham's letter to Queen Elizabeth I on her accession, in which he explained why English gold appeared to be disappearing abroad.

Gresham lived during the reigns of Henry VIII and Edward VI, when the English used two sets of metal currency: gold and silver coins ("good" money) and bimetallic coins of less intrinsic value. At this time, the intrinsic value of money equaled the actual value of the metal from which it was made, and there was no currencypaper currency. Henry VIII, however, ruled that the debased bimetallic coinage, or "bad" money, was to be accepted as legal tender for the value stamped upon it, even if intrinsically it was worth less than the gold and silver coins.

English citizens tended to use the debased coins and keep the good ones for themselves. When English traders conducted business in other countries, foreign merchants preferred to receive the "good" coins in exchange for providing their goods to the English. The only alternative to paying for merchandise with "good" coins was for English merchants to pay a higher price when purchasing goods with "bad" coins, which in turn drove up the prices of merchandise sold in England.

When Queen Elizabeth I ascended to the throne in 1558, Gresham advised that the nation reform its currency system. Under Gresham's supervision, English currency was changed so that all coins were "good." However, neither he nor the queen could stop another abuse of "good" currency. Many English people would snip or cut off little bits of metal from coins, and the snipped coins still had to be accepted as legal tender. The coin bits would be melted down and used to make jewelry or counterfeit coins, which probably were mixed with base metals. During Elizabeth's reign, England introduced laws to stop this practice, to little avail.

Governments no longer issue "good" coins, and paper bills have become a common form of currency. The paper itself has no intrinsic worth and therefore is technically "bad" currency, made good only by a nation's laws that recognize these bills as the country's legal tender and the promise of that government to back their face value.



Gresham College. (Hulton Archive/Getty Images)

Gresham bought two large country houses near London and began to entertain lavishly at his new London residence, Gresham House, built in 1566. His old house on Lombard Street remained his company's headquarters. At the same time, misfortune struck. His son died in 1564, and Gresham himself became lame and somewhat blind in one eye. Perhaps to memorialize himself, Gresham established an exchange in London, which eventually became the Royal Exchange, the center of the city's commerce. Gresham promised to pay for an exchange building if others would subscribe to a fund to purchase property for the structure. The building's foundation was laid in June, 1566, and the exchange opened in 1568. Queen Elizabeth I visited in 1571 and gave the building its royal title.

Gresham's lavish spending resulted in rifts with his wife, who was expected to manage and be hostess at his various properties. When he conceived the idea of turning Gresham House into a college, she opposed the move, although unsuccessfully. Gresham died at Gresham House in 1579.

LEGACY

Sir Thomas Gresham's main legacy to England was to provide sound financial management for the nation at a time when its rival, Spain, was bankrupting itself. It has been suggested that Gresham's fiscal acumen gave England the financial backing for the military resources needed to defeat the Spanish Armada in 1588. The construction of the Royal Exchange created a climate in which London became one of the world's leading financial centers, shifting the balance away from the Netherlands, southern Germany, and Italy. Gresham did create a college after his wife's death, and Gresham College continued to operate into the twenty-first century. Gresham envisioned that the school would be devoted to the sciences, then still in their infancy in institutions of higher learning. The college helped make London a center for scientific study.

—*David Barratt*

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See also: Bess of Hardwick; Francis Drake; Sir Horatio Palavicino; Sir John Spencer.

Gerald Grosvenor

British aristocrat, landowner, and philanthropist

In the early twenty-first century, Grosvenor was the richest property developer in the United Kingdom and one of Britain's largest landowners, who expanded upon the real estate holdings acquired through successive generations of his family.

Born: December 22, 1951; Omagh, County Tyrone, Northern Ireland
Also known as: Major-General Gerald Cavendish Grosvenor, sixth duke of Westminster; Gerald Cavendish Grosvenor, sixth duke of Westminster
Sources of wealth: Inheritance; real estate; investments
Bequeathal of wealth: Charity

Early Life

Gerald Grosvenor (GROHY-nuhr) is the son of Robert George Grosvenor, fifth duke of Westminster, and his wife, the Honorable Viola Maud Lyttelton. Gerald was born on the family's estate in Northern Ireland, and he spent his early boyhood there while the family's main house, Eaton Hall, near Chester in northwest England, was demolished and rebuilt. He attended Sunningdale School before going to Harrow, a leading British private school. Grosvenor was not a top student and failed the entrance examination for the Royal Military Academy Sandhurst. However, by joining the Territorial Army as a private he was able to enroll at Sandhurst in 1973. In 1978, he married Natalia Ayesha Phillips, a descendant of the Russian poet Alexander Pushkin. The couple had three daughters and a son.

First Ventures

His father died in 1979, leaving Grosvenor an inheritance consisting of vast amounts of property and considerable wealth that his family had steadily accumulated since the seventeenth century. The Grosvenors owned real estate in London, Cheshire, and Lancashire, England; Scotland; Northern Ireland; the United States; Canada; and Australia. The foundation of the family's wealth and its most profitable estates were located in the West End of London. During the nineteenth century, the Grosvenors acquired property in the most fashionable London neighborhoods—Belgravia, Mayfair, and Pimlico. The Grosvenors had formed a company which leased its properties for a period of ninety-nine years. This company was set up as a series of trusts, which enabled it to remain with the family.

Mature Wealth

However, legislation adopted in the 1980's allowed tenants the right to buy the properties on which they held leases, and Grosvenor holdings declined. In response, Gerald Grosvenor reorganized his company, and it began to acquire new portfolios of property and other investments. The company diversified by buying real estate on the Continent, acquiring valuable property in Spain and Paris, France. The firm also expanded into Hong Kong and Japanese construction and developed its Australian property.

By 2009, the Grosvenor Group employed more than 420 people in twelve offices and operated in seventeen countries. The group is privately owned and does not publicize its finances, so it is difficult to know its worth. However, its assets worldwide are estimated to be about £9.1 billion ($13 billion), with its assets in the United Kingdom valued at about £2.8 billion ($4 billion).

The Sunday Times Rich List for 2010 estimated Grosvenor's wealth at £6.75 billion ($12 billion), making him the third-richest man in the United Kingdom and Ireland. According to *Forbes* magazine's list of billionaires, Grosvenor was the forty-fifth-richest person in the world in 2010, with an estimated net worth of $12 billion.

Grosvenor has continued his family's tradition of aristocratic philanthropy. His main residence at Eaton Hall contains an office that deals with requests for donations and has given charitable grants ranging from £1,000 to £500,000. Grosvenor has retained a close connection with the Territorial Army, and he was promoted to the rank of lieutenant colonel of a number of regiments. From 2004 to 2007, he served as an assistant chief of defense, a post with the rank of major-general. Grosvenor became chancellor of the newly founded University of Chester in 2005.

Legacy

Gerald Grosvenor has continued in the best traditions of the Grosvenor family, increasing his family's wealth but using it responsibly, not extravagantly. Although he is a very rich man, he has fulfilled his aristocratic responsibilities through philanthropy and public service.

—*David Barratt*

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See also: David and Frederick Barclay; Richard Branson; Deborah Cavendish; Hugh Grosvenor; Anita Roddick; J. K. Rowling; David Sainsbury.

Hugh Grosvenor

British aristocrat and landowner

In his day, the first duke of Westminster was one of the richest men in England, adding to his inherited wealth with money acquired through marriage, wise investments, and land development.

Born: October 13, 1825; Chester, England
Died: December 22, 1899; London, England
Also known as: Hugh Lupus Grosvenor, first duke of Westminster
Sources of wealth: Inheritance; real estate; horse breeding
Bequeathal of wealth: Children; charity

Early Life

Hugh Lupus Grosvenor (GROHV-nuhr), first duke of Westminster, came from an old, aristocratic family. The French derivation of the family name, literally meaning "fat hunters," suggests a Norman origin, although the first recorded instance of the name is in the twelfth century, when Robert Grosvenor received a grant of land from the earl of Chester. The family continued to live in the county of Cheshire, in northwest England. Sir Thomas Grosvenor (1655-1700) acquired land east of London's Hyde Park and in what was then the western edge of the city. As London expanded in the eighteenth century, Richard Grosvenor (1731-1802) built the family's fortune by developing his London real estate in what would later be the fashionable areas of Mayfair, Pimlico, and Belgravia.

Hugh Grosvenor's father was also named Richard (1795-1869), and he inherited the title second marquess of Westminster; Hugh's mother was Lady Elizabeth Mary (1797-1891), who also came from an aristocratic family. Hugh was the oldest surviving son of his parents' twelve children. Hugh was educated at Eton College, the leading school in Britain, and he then attended Balliol College, Oxford University. He did not stay and take his degree at Oxford because his father was anxious for him to enter politics. One of the seats representing Chester in the House of Commons had become vacant, and with his father's patronage, Hugh safely secured the position in January, 1847.

First Ventures

British parliamentary rules at the time allowed Grosvenor to sit in the House of Commons, as his father occupied the family seat in the House of Lords. Grosvenor appears to have been little interested in politics, not making his first speech until 1851. However, he did remain a member of Parliament until his father's death allowed him to serve in the House of Lords.

Grosvenor married his first cousin, Lady Constance Sutherland-Leveson-Gower (1834-1880), in April, 1852. Her mother was a mistress of the robes for Queen Victoria, and Constance became a favorite with the queen, who, with her husband Albert, attended Constance and Grosvenor's wedding. Victoria also was godmother of the first of the couple's eleven children. Grosvenor was not paid for his parliamentary duties but lived on an allowance from his father of £8,000 per year, which Grosvenor complained was insufficient for his needs. Grosvenor's primary interests were hunting, particularly in the Scottish Highlands, breeding horses, and traveling, especially to India. In the late 1860's, however, Grosvenor began to take politics seriously. The family had always sided with the Whig Party aristocracy. As that party developed into the Liberal Party, he naturally sided with William Ewart Gladstone, who in the nineteenth century served several terms as prime minister of Great Britain. In 1869, he inherited his father's title and estate; five years later, Gladstone named him the first duke of Westminster.

Mature Wealth

Grosvenor inherited one of the richest estates in Great Britain, which was worth some £152,000. His father had always lived well within his means, and Grosvenor continued this tradition. However, he developed his London house in Mayfair, as well as the Cliveden estates outside London that he inherited from his mother. (He later sold the lucrative Cliveden properties to William Waldorf Astor.) He had been renting several shooting lodges in Scotland from his cousin, and he developed them as sporting and hunting estates. Grosvenor further increased his wealth by breeding racehorses and by enlarging his grandfather's art collection.

Grosvenor's ambition was to be king of the turf. In this he succeeded, winning the Derby, the most prestigious horse-racing event in Britain, no less than four times. In twenty-five years as a breeder and racer, Gros-

Eaton Hall

Eaton Hall is the primary residence of the dukes of Westminster. It is located about three miles south of the city of Chester in the northwest of England. The residence is sited on an eleven-thousand-acre estate adjacent to the River Dee, stretching from the river toward the Welsh border. The property includes one thousand acres of parkland surrounding the residence and twenty acres of gardens.

The estate was originally the property of Joan Eaton, who married a member of the Grosvenor family in the early fifteenth century. The house on the estate has been rebuilt several times. Between 1804 and 1812, Eaton Hall was reconstructed in the Gothic style by the first marquess of Westminster. Further extensions were added from 1823 to 1825 and again in 1845 and 1846.

Hugh Grosvenor, first duke of Westminster, renovated and extended the residence at a total cost of £600,000. He employed a leading Victorian architect, Alfred Waterhouse, who maintained the integrity of the building as a Gothic structure but made extensive use of cast iron. The rebuilding project started in 1870 and took ten years to complete. By all accounts, the reconstructed residence was of massive proportions and one of the grandest ducal properties in Great Britain. As part of the project, Grosvenor, a horse breeder and racer, built a racing stable that employed about thirty people. He also constructed a light railway that was linked to the nearby Chester-Mold railroad so his guests could be more easily transported to his residence. Eaton Hall featured three magnificent driveways and an equally beautiful clock tower with twenty-eight bells. Much to the annoyance of guests, these bells chimed every quarter of an hour, twenty-four hours a day. The gardens, which had been laid out in the eighteenth century by the noted landscape architect Lancelot "Capability" Brown, were redesigned by Edwin Lutyens at the end of the nineteenth century.

During both world wars, Eaton Hall was used as a hospital, and it served as a training school for military officers after World War II. The Grosvenor family eventually decided the building was too large to maintain and it was demolished in 1961, replaced by a more modest home designed in the style of a French châteaux.

In the twenty-first century, the clock tower, chapel, and stables are all that remains of the original residence. A portion of the estate is managed as farms and is rented to farmers.

venor won hundreds of races and prize money of more than £300,000. He never gambled, but he viewed horse racing as part of his ducal lifestyle.

The major source of Grosvenor's wealth was his property. The estates at Eaton, all with rich agricultural land, brought in a reasonable income. However, it was the London real estate, managed by the Grosvenor Estate Board, that generated the lion's share of his income, and he adamantly refused to sell these properties to other developers. Under his leadership, the board developed these properties or leased them for development for ninety-nine-year periods, with Grosvenor deriving income from the rents. The Belgravia-Mayfair area was the most fashionable part of London in the late nineteenth century and commanded high prices for rentals; the area includes the site on which the American Embassy is located.

Grosvenor believed that as an aristocrat, it was his duty to develop housing for working families on his land, including his property in the West End of London. He also built schools and churches. Substandard housing was replaced by buildings in the Queen Anne Revival style, as well as redbrick homes in London's South Kensington area. By the twenty-first century, these homes were among the most elegant in London as a result of Grosvenor's high standards of architecture.

Grosvenor became a strict teetotaler after the death of an alcoholic younger brother. He also promoted temperance societies, and he reduced the number of pubs in his London estates from forty-seven to eight. Grosvenor was a major philanthropist, chairing the boards of five London charity hospitals, the Royal Society for the Prevention of Cruelty to Animals, and many other organizations. He served as the lord lieutenant of Cheshire (1883-1888) and the lord lieutenant of the county of London (1888-1892); in 1892, he became president of the Royal Agricultural Society.

In 1880, his wife Constance died. Two years later, he married twenty-four-year-old Katherine Caroline Cavendish, daughter of the second Baron Chesham. The couple would have four children. Grosvenor died a few days before Christmas in 1899. His personal fortune was estimated at about £594,229, with his real estate valued at £6 million ($24 million). Grosvenor's eldest son died before him, so his inheritance went to his grandson, Hugh Richard Grosvenor.

Legacy

Grosvenor was an aristocrat in an age when the aristocracy had lost much of its political power, but it was still held in great respect and was expected to enjoy a lavish lifestyle. He managed to both increase his wealth and use that wealth in a responsible, even philanthropic, manner. He retained the sense of aristocratic responsibility that was highly regarded in the Victorian era. Subsequent generations of his family continued to accumulate valuable property, and by the twenty-first century family members were among the richest people in Britain.

—*David Barratt*

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See also: Ninth Duke of Bedford; Thomas Brassey; John Ellerman; Gerald Grosvenor; Thomas Holloway; Samuel Loyd; Moses Montefiore; William Weightman.

Meyer Guggenheim

American mining magnate and industrialist

Guggenheim rose from obscurity to dominate copper, silver, and lead mining, as well as refining, establishing one of the wealthiest families in the United States. His descendants rose to positions of prominence and became patrons of the arts and sciences, promoting many of the twentieth century's most important figures.

Born: February 1, 1828; Lengnau, Switzerland
Died: March 15, 1905; Palm Beach, Florida
Sources of wealth: Mining; investments
Bequeathal of wealth: Children; relatives; charity

Early Life

Meyer Guggenheim (MI-yehr GOO-gehn-him) was born in Lengnau, Switzerland, on February 1, 1828, to a poor family of German-Jewish descent. At this time, the ghetto in Lengnau was one of only two Swiss villages in which Jews were permitted to live. There life was restrictive in terms of career options and personal choices. Guggenheim's father, Simon, was a tailor. Simon wanted to remarry after the death of his first wife, but he was prohibited because he lacked sufficient financial means. His intended had seven children by a previous marriage, and Meyer and his five sisters would make this a family of thirteen children.

Wanting the right to remarry and to obtain new opportunities, Simon emigrated from Switzerland to Philadelphia in 1847. The nineteen-year-old Meyer started his life in the New World by peddling household goods in the coal towns of northeast Pennsylvania. He supplemented his income by manufacturing an effective stove polish and lye, as well as an early type of instant coffee, in which coffee beans mixed with chicory were boiled down to a syrup that dissolved in warm water. This instant coffee proved to be a popular item. Simon's effectiveness as a salesman was limited by his inability to speak English, so his customers primarily came from the German-speaking neighborhoods of Philadelphia. Guggenheim and his father earned enough money to take care of the needs of their large family. Their profits were rechanneled into building a successful wholesale business in household merchandise.

First Ventures

In 1852, the twenty-four-year-old Guggenheim felt financially secure enough to take a wife, Barbara Meyers, and buy a modest house in Roxborough, a working-class area in northwest Philadelphia. Between 1854 and 1873, Barbara gave birth to seven sons and four daughters. All but three of the children were born in Roxborough. Guggenheim was a strict disciplinarian and raised his sons to have good business skills and assist him in commercial ventures. Barbara was a loving mother and tried to instill in her children a love for art, music, and literature.

Guggenheim's merchandising business established him as a solid member of the middle class. His business greatly expanded during the Civil War. Forming a partnership with two other investors, Guggenheim became a major importer and a dealer in spices.

By the late 1870's, having more money than he actually needed, Guggenheim began to look for lucrative stock investments. He purchased two thousand shares of stock in a railroad line, which, within a few years, became essential for the railroad construction plans of Jay Gould. In 1881, he sold the stock to Gould for $320,000. Guggenheim immediately took this money and invested in a new technology, developed in Germany, to make fine "needle lace" by machine. His brother-in-law Morris Meyers opened a factory in St. Gall, Switzerland, and Guggenheim made a fortune by importing and selling the fine lace. Soon he sent three of his sons, Daniel (1856-1930), Murry (1858-1939), and Solomon R. (1861-1949), to Switzerland to establish lace factories. Company headquarters were moved from Philadelphia to New York, where Guggenheim was assisted by his oldest son, Isaac (1854-1922). The lace business was named M. Guggenheim's Sons and it made a fortune for the family.

More important, in 1881 Guggenheim reluctantly accepted half interest in two Colorado mines in payment for a debt. It was mining that would propel the Guggenheim family into the ranks of America's fantastically wealthy.

Mature Wealth

When Guggenheim first went to look at his mine in Leadville, Colorado, in 1881, it was filled with water, and he felt foolish for acquiring an interest in it. He had to invest about $20,000 to pump the water from the mine. Discouraged, one of his partners sold his share to the other partners, thus giving Guggenheim controlling interest in the mine. However, it soon became apparent that

The Guggenheim Foundation

The Guggenheim Foundation consists of four separate foundations, each one established by a descendant of Meyer Guggenheim. The John Simon Guggenheim Memorial Foundation was founded in 1925 by Guggenheim's sixth son, Simon Guggenheim (1867-1941), in memory of his son, in order to provide funds for creative individuals in the natural sciences, social sciences, humanities, and arts (excluding the performing arts). The awards provide short-term financial support, ranging from six months to one year, to enable individuals with proven creative potential to make significant contributions to their fields. The awards are presented annually, in two separate competitions. One competition selects candidates in the United States and Canada, while the other covers Latin America and the Caribbean. Each competition is chaired by six distinguished scholars or artists. The average number of fellowships awarded is 220 per year and the average grant in 2008 was $43,200.

Meyer Guggenheim's fourth son, Solomon R. Guggenheim (1861-1949), founded the Solomon R. Guggenheim Foundation in 1937 for the advancement of art. This foundation operates the Solomon R. Guggenheim Museum for modern art, which opened its doors in 1959 and is one of the best-known museums in New York City; the Peggy Guggenheim Collection in Venice, Italy; and the Guggenheim Museum in Bilbao, Spain, among other institutions.

The Daniel and Florence Guggenheim Foundation awards grants in the field of criminal justice to qualified groups or individuals. It also runs summer internships for qualified students in criminal justice. Founded in 1924 by Daniel Guggenheim (1856-1930), Meyer Guggenheim's second son, it is the oldest of the Guggenheim foundations.

The Harry Frank Guggenheim Foundation was established by Harry Guggenheim (1890-1971), Meyer Guggenheim's grandson, to support research on violence and aggression in the modern world. Average grants are about $30,000 per year. This foundation also awards at least ten fellowships of $15,000 to doctoral candidates in the final year of completion of their doctoral dissertations.

Guggenheim had stumbled into investing in two of the richest mines in Colorado, with vast lodes of silver and lead. By 1887, some nine million ounces of silver and eight-six thousand tons of lead were extracted from the two mines.

Guggenheim was quick to realize that much of the profit in mining was derived from the processing of ore. To this end he built a large smelter in Pueblo, Colorado, completed in 1888 and supervised by Simon Guggenheim; two smelting operations in Monterrey and Aguascalientes, Mexico; and a refining works at Perth Amboy, New Jersey. The Mexican smelters enabled the Guggenheims to circumvent tariff restrictions on the importation of Mexican ore. In 1891, the Guggenheims consolidated about a dozen of their smelting operations as the Colorado Smelting and Refining Company. By this time, the family was completely out of the fine lace business and five of Guggenheim's seven sons were intimately involved with mining and smelting operations.

By 1901, the Guggenheims gained control of the rival American Smelting and Refining Company. Daniel Guggenheim helped organize a trust company and became its president. At the same time, a separate firm, the Guggenheim Exploration Company, was formed to develop mining opportunities not only in the United States but also in the rest of the world. Hence by the turn of the century, the Guggenheims controlled the most important silver smelting company in the world and held virtual control over the American copper industry.

Meyer Guggenheim retired in 1895, leaving the mining and smelting operations to his sons, whom he had trained so well. He spent his summers at the New Jersey shore to escape the oppressive New York City heat, and he now had much time to be a doting grandfather. His wife Barbara, who suffered from diabetes, died in 1900. Her sons donated $200,000 to Mt. Sinai Hospital in New York for the construction of a building in her name, and Guggenheim donated $80,000 for a building in her name at Jewish Hospital in Philadelphia.

For the next four years, Guggenheim was a widower, cared for by his cook and housekeeper, Anne Poppee. He suffered from a slow-growing prostate cancer. By late winter of 1904, his prostate gland had to be removed. While the surgery was successful, Guggenheim caught a bad cold. He was moved to the warmth of West Palm Beach, Florida, to recuperate. However, his cold turned into pneumonia and he died on March 15, 1905. He was buried next to Barbara in an elaborate family mausoleum in Salem Fields, a Jewish cemetery in Brooklyn, New York.

Legacy

The life of Meyer Guggenheim is a case study of the American Dream, in which a poor immigrant becomes wealthy through a combination of pluck and luck. Guggenheim established a business and trained his seven sons to continue its operation. The fact that this family business changed from a merchandising store to linen production and, finally, to mining and processing is incidental. The end result was a dynasty that dominated American mining and refining operations in silver, copper, and lead and went on to play a major role in mining operations in places as diverse as Chile, Mexico, and the Congo. Twenty-first century corporations, such as the American Smelting and Refining Corporation (ASARCO); Corporación Nacional del Cobre, Chile; Grupo Mexico; Nabors Industries; and Phelps Dodge trace their origins to the Guggenheims. Meyer Guggenheim's descendants also became some of America's leading philanthropists, using the Guggenheim Foundation to finance contributions to American art and science.

—*Irwin Halfond*

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See also: Marcus Daly; Arthur Vining Davis; James G. Fair; James Clair Flood; Peggy Guggenheim; Solomon R. Guggenheim; George Hearst; F. Augustus Heinze; Moritz Hochschild; Andrónico Luksic; John William Mackay; William S. O'Brien; Simón Iturri Patiño; José Tomás Urmeneta.

Peggy Guggenheim

American art collector and patron

Guggenheim was a visionary art collector and patron who used her wealth to support twentieth century artists. The Peggy Guggenheim Collection is one of the most significant modern art museums in the world.

Born: August 26, 1898; New York, New York
Died: December 23, 1979; Padua, Italy
Also known as: Marguerite Guggenheim
Source of wealth: Inheritance
Bequeathal of wealth: Children; relatives; charity; artistic patronage

Early Life

Marguerite Guggenheim (GOO-gehn-him), better known as Peggy Guggenheim, was born on August 26, 1898, in New York City, the daughter of Benjamin Guggenheim and Florette Seligman Guggenheim. Her father's family had made a fortune in international mining, and her mother's father was a banker. Guggenheim and her sisters, Benita and Hazel, took European tours and attended operas. Their mansion near Central Park was filled with expensive artwork. Their father was a philanderer and had secretly squandered his fortune. However, Guggenheim adored her father, and when he died aboard the RMS *Titanic* in April, 1912, she was devastated.

The Guggenheim uncles helped her family financially. She attended the Jacobi School, an exclusive academy committed to women's rights and other progressive ideas. At sixteen, she studied with Lucile Kohn, whose radical ideas on labor reform convinced Guggenheim that the wealthy should help improve the world. In February, 1916, she made her debut, and in 1919, she inherited a trust fund of $450,000, the equivalent of $5 million in 2010.

First Ventures

Guggenheim first learned about modern art in 1920, when she worked in The Sunwise Turn, an avant-garde bookstore. Through her cousin Harold Loeb, she met novelist F. Scott Fitzgerald and photographer Alfred Stieglitz. At Stieglitz's gallery, she saw the work of painters Georgia O'Keeffe, Paul Cézanne, Henri Matisse, and Pablo Picasso. At twenty-one, she traveled to Europe, settled in Paris, and became an art lover. She would live the life of an American expatriate for the next twenty years.

In 1922, she married writer Laurence Vail, nicknamed the "King of Bohemia." Before they divorced in 1930, they had two children, a son Sinbad and a daughter Pegeen. Their friends included legendary dancer Isadora Duncan, anarchist Emma Goldman, and sculptor Constantin Brancusi.

Peggy Guggenheim. (WireImage/Getty Images)

Guggenheim was fascinated with the art world and wanted to help artists sell their work. With advice from her friend, surrealist artist Marcel Duchamp, she learned about modern art movements. On January 24, 1938, Guggenheim opened her Guggenheim Jeune Gallery in London with an exhibit of thirty drawings by the writer Jean Cocteau. Open from 1938 to 1939, the gallery presented the works of Picasso and Max Ernst. Russian artist Wassily Kandinsky's first London show was at this gallery. A contemporary sculpture exhibition featured the works of Brancusi, Hans Arp, Henry Moore, and Alexander Calder. However, the dangerous military developments in Europe forced Guggenheim to close this gallery.

Mature Wealth

Guggenheim dreamed of opening a museum of modern art in London. Settling in France, she collected funds and purchased a painting every day. Through the spring of 1940, as the German forces advanced in Europe, she frantically bought works by Picasso, Brancusi, Ernst, Georges Braque, Salvador Dalí, Piet Mondrian, Joan Miró, and others. However, with the Occupation of France, she had to ship her collection of more than fifty surrealist, cubist, and Dadaist works to New York City. As the German military advanced in France, it became too dangerous for her to stay in Europe. In July, 1941, Guggenheim and her lover, surrealist Max Ernst, left for the United States. She married Ernst, and they divorced five years later.

In October, 1942, Guggenheim opened her celebrated Art of the Century museum-gallery in New York City. One of the most significant galleries in art history, Art of the Century showcased her collection of works by now-famous European and unknown American artists. It brought American abstract expressionist art and European surrealism together. She sponsored many struggling American artists, including Clyfford Still, Mark Rothko, and Robert Motherwell. Her patronage of "drip painter" Jackson Pollock established his career.

After World War II, Guggenheim returned to Europe. In 1948, her expanding collection was given an entire pavilion at the Venice Biennale exhibition. Along with the European masterpieces she had collected earlier, she gave the painters Rothko, Pollock, and Arshile Gorky their first European exhibit. Her collection grew and was displayed throughout Europe, with exhibitions in Brussels, Florence, Milan, Zurich, and Amsterdam.

In 1949, Guggenheim purchased the Palazzo Venier del Leoni, an unfinished, eighteenth century, white stone palace on the Grand Canal in Venice. This palace would be her home, but she converted the garden, cellar, and other rooms into museum spaces. Consisting of more than 260 pieces, the Peggy Guggenheim Collection included the century's greatest pioneers of surrealism, abstract expressionism, and cubism. The modern artists included in the collection were Braque, Kandinsky, Mondrian, Picasso, Moore, Francis Bacon, Umberto Boccioni, Marc Chagall, Giorgio de Chirico, Joseph

Cornell, Willem de Kooning, René Magritte, Kazimir Malevich, Man Ray, and Kurt Schwitters. She established the Peggy Guggenheim Foundation in order to finance the operation of this museum.

From 1951 to 1979, the "last duchess" (*l'ultima dogaressa*), as she was called, opened her home and collection to the general public each summer. Guggenheim and her extraordinary collection were huge tourist attractions. Beginning in the early 1960's, she sponsored traveling exhibitions of her collection in order to bring art to the masses. After 1973, Guggenheim stopped making major art purchases and hardly traveled. In 1974, she arranged for her palazzo and collection to be transferred after her death to the Solomon R. Guggenheim Foundation, which her uncle had established in 1937. The conditions of her donation required that the collection remain in the palazzo. The Peggy Guggenheim Foundation approved the donation on July 17, 1975.

After suffering poor health for a few years, Guggenheim died on December 23, 1979. Her ashes were buried in the palazzo garden.

Legacy

Peggy Guggenheim's descendants inherited millions of dollars, but her art collection and palace were transferred to the Solomon R. Guggenheim Foundation, which reopened the Venice museum on Easter, 1980. At the time of her death, the Peggy Guggenheim Collection was estimated to be worth between $30 and $40 million. The permanent collection includes masterpieces of metaphysical painting, cubism, European abstractionism, American abstract expressionism, Futurism, and surrealism. A respected cultural institution and one of Europe's most significant museums of modern American and European art, the Peggy Guggenheim Collection continues to be open year-round to the public, attracting thousands of visitors each year.

An independent thinker, Guggenheim had a passion for contemporary art and artists. As one of the most significant art patrons in history, she helped shape twentieth century art. She transformed culture by making her priceless art collection accessible to the masses. From June 12 through September 2, 1998, an exhibition at the

Great Wealth and Art Patronage

Peggy Guggenheim's wealth in relationship to her art patronage was a unique historical anomaly. For centuries, art had existed in the service of wealth. Individuals and families, such as the house of Medici in Renaissance Florence, often hired or retained artists to create works for their private enjoyment, for portraiture, or as symbols of their power and prestige.

In the early twentieth century, with accelerating changes in society and technology, another pattern was established: the concept of art as an investment and a generator of wealth. In several cases, these investments became much more valuable after the artists died; their deaths prevented their works from being devalued because of overabundance. For some people, such as Vincent van Gogh's nephew, art became a form of inherited wealth; for others, such as dealers in the works of Amedeo Modigliani, art was an active, conscious investment.

Peggy Guggenheim's connection to art differed from the master-servant relationship of preindustrial society, or the modern investment mode. She was a collaborator, living in the world of the artists whose works she collected. She was a bohemian socialite who had rejected her bourgeois lifestyle and privileges in favor of the unconventional world of avant-garde artists and writers. In fact, she established romantic relationships with many members of the intelligentsia, including writer Samuel Beckett and artists Max Ernst (her second husband), Yves Tanguy, and Constantin Brancusi. Guggenheim played a dynamic, personal role in the evolution of art patronage.

Art patronage was a noble cause for Guggenheim, who believed that the works she collected were worth preserving and exhibiting. She did not actively shape the artists' subject matters, styles, or artistic processes but rather helped enable them to pursue their own innovative directions. She collected much art that was considered unmarketable and ignored or rejected by the art establishment of the time. Thus, she enabled the survival and development of major modern art movements, including cubism, American abstract expressionism, European abstract art, surrealism, and Futurism. For instance, she gave Russian abstract artist Wassily Kandinsky his first London exhibition. She discovered unknown American artists Robert Motherwell, Mark Rothko, Clyfford Still, and Jackson Pollock, and she gave them their first shows at her Art of the Century gallery in New York. She also brought European avant-garde art to America. She gave Arshile Gorky, Pollock, and Rothko their first European exhibitions. Her collection grew to be valued at more than $30 million during her lifetime, but making money from art was never her primary motivation.

Solomon R. Guggenheim Museum celebrated the one hundredth anniversary of Peggy Guggenheim's birth. This exhibition featured personal memorabilia, as well as paintings and sculpture from her collection.

Guggenheim's candid autobiography, *Out of This Century* (1979), added to her notoriety and mythology. On March 10, 2005, Lanie Robertson's four-part play, *Woman Before a Glass*, opened on Broadway in New York City. Based on Guggenheim's autobiography, this one-woman show starred Mercedes Ruehl, who won an Obie Award for her portrayal. Guggenheim was also a character in Ed Harris's *Pollock* (2000), a film about Jackson Pollock, and in May, 2004, the British Broadcasting Corporation (BBC) presented a documentary, *Peggy: The Other Guggenheim*.

—*Alice Myers*

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See also: Henry Clay Frick; Isabella Stewart Gardner; J. Paul Getty; Meyer Guggenheim; Solomon R. Guggenheim; Armand Hammer; Andrew Mellon; Alice Walton.

Solomon R. Guggenheim

American mining magnate and art collector

Guggenheim made a vast fortune in his family's mining interests, and their mineral holdings at one time were among the most extensive in the world. He became a significant collector of modern art, and he built one of the world's great modern art museums in which to exhibit his artworks.

Born: February 2, 1861; Philadelphia, Pennsylvania
Died: November 3, 1949; New York, New York
Also known as: Solomon Robert Guggenheim
Source of wealth: Mining
Bequeathal of wealth: Relatives; charity; museum

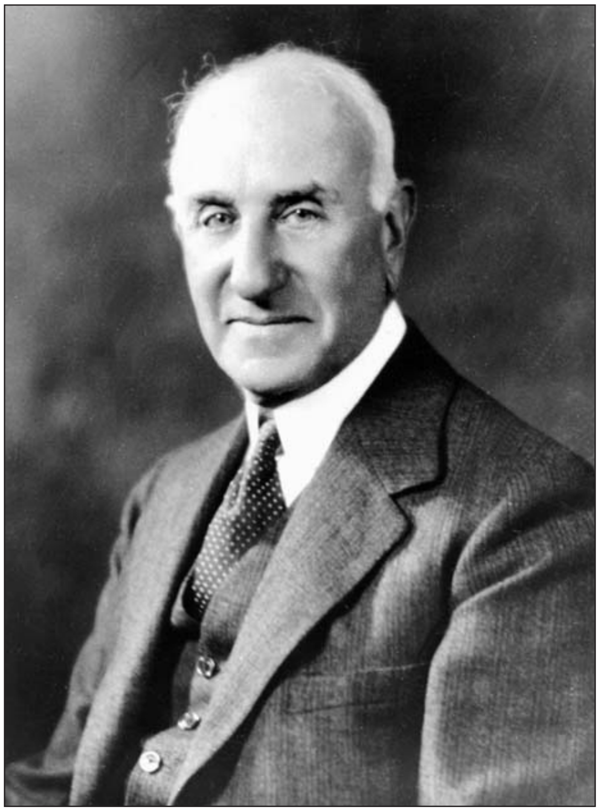
Early Life

Solomon Robert Guggenheim (SAHL-uh-muhn GOO-gehn-him) was born in Philadelphia in 1861, one of eleven children born to Meyer and Barbara Guggenheim. He was the fourth of eight sons and was known to his family as "Sol." By the time of his birth, the Guggenheims were already quite prosperous from their ownership of a Swiss factory. At the age of fourteen, after having attended Philadelphia public schools, Solomon was sent to a private school in Zürich, Switzerland, the country from which his parents had emigrated about 1847. There he was to learn proficient German and be instilled with sound business practices.

First Ventures

When he was about twenty years of age, Guggenheim joined his three older brothers as a partner at M. Guggenheim's Sons, the family's embroidery and needlework manufacturing and import firm in Switzerland. Guggenheim was selected to operate a branch of the business in Saxony, Germany. The company was eventually sold, and in his late twenties, at his father's urging, he became involved in the mining industry in which his father had heavily invested. Beginning in 1889, Guggenheim was trained in Leadville, Colorado, where his father had a major interest in a lead and silver mine. It was this mine that gave rise to the family's vast fortune and eventually resulted in their becoming the owners of the world's most extensive mining interests, including gold.

Guggenheim went to Mexico in 1891 and remained there for several years, often in rather primitive conditions, operating family-owned silver and copper smelters. He also had the responsibility of locating new sources of ore, negotiating optimal shipping deals with railroad companies, and obtaining concessions from the Mexican government on taxes, the purchase of land, and other matters vital to the family's business interests. By 1895, these Mexican operations were netting more than $1 million a year.



Solomon R. Guggenheim. (AP/Wide World Photos)

Mature Wealth

The Guggenheim family had set up their headquarters in New York City, and it was there that Guggenheim came to live in 1895 after his years spent in Mexico. During that year he married Irene Rothschild, a member of one of the world's greatest banking families; they were to have three daughters, Eleanor, Gertrude, and Barbara. By 1901, when the Guggenheims attained control of the American Smelting and Refining Company, they had become the largest refiners of metal in the world. Guggenheim became a director of this company and also headed metallurgical firms in South America, Asia, and Alaska, as well as in the mainland United States, and he was regarded as a strong-willed but personable leader.

In his private life, Guggenheim was known for his sociability, gourmet tastes, and sense of humor. He was generous in charitable giving, particularly to hospitals; a political conservative, he made large donations to the Republican Party. By the time of his retirement he owned palatial homes on Long Island, New York, and in New Jersey and South Carolina, as well as an Idaho cattle ranch, a Scottish hunting lodge, and a thousand-acre plantation.

Following his retirement from full-time work in 1919, Guggenheim remained an avid sportsman and devoted much of his time to his passion for collecting art, an activity in which his wife had initially interested him. He had begun seriously collecting in the early 1900's. His collections initially focused on early American and European art, but his meeting in the mid-1920's with the artist Baroness Hilla von Rebay directed his passion toward modern art. It was also widely speculated that his passion extended to Rebay, who was almost thirty years his junior. Guggenheim became an ardent collector of such avant-garde artists as Pablo Picasso, Marc Chagall, Jackson Pollock, René Magritte, Willem de Kooning, Wassily Kandinsky, Piet Mondrian, and Paul Klee. He owned more than 150 pieces of Kandinsky's work alone. Guggenheim's modern art collection was housed in his large suite in New York City's Plaza Hotel. In 1936, under Rebay's auspices, the collection began touring to various East Coast and southern cities, where it was showcased in museum exhibitions.

In 1937, he established the Solomon R. Guggenheim Foundation for the "promotion and encouragement of art

The Solomon R. Guggenheim Museum

Following architect Frank Lloyd Wright's original commission in 1943, it was sixteen years before the Solomon R. Guggenheim Museum finally opened in October, 1959, on tony upper Fifth Avenue in Manhattan. At an estimated cost of $3 million, the museum is considered the architect's last major work; he died several months before its opening. Wright stated that he wanted no distractions from his design, not even curtains or carpeting, and wittily averred that his building would make New York City's famed Metropolitan Museum of Art look like a "Protestant barn." He is said to have wanted the exterior, which is made of gunite, a mixture of sand and cement, painted crimson. However, the color ultimately used was tan, later covered over by gray paint.

Construction did not begin until 1956, and by that time Solomon R. Guggenheim himself had been dead for several years. The facility initially was called the Museum of Non-Objective Painting, the name of the facility that Guggenheim had established in 1939. However, in 1952 the new building was renamed the Solomon R. Guggenheim Museum. Like many of Wright's other structures, the museum's architecture was not without controversy. Its interior design is basically a six-story corkscrew spiral ramp within an open central space, and the building is wider at the top than at its base. It bears some resemblance to an upside-down ziggurat, a type of ancient Mesopotamian temple.

Although visually striking, the Guggenheim's suitability as a museum has been questioned by many critics, who believe its design overwhelms the art. One critic called it "a war between architecture and painting in which both come out badly maimed." Another said it was "an indigestible hot-cross bun," and yet another said it resembled an inverted oatmeal dish. In 1992, a rectangular ten-story tower annex was erected next to the original building, and the exterior of the museum was renovated in the early twenty-first century at a cost of $29 million. A satellite branch was also opened in the Soho neighborhood of Manhattan, but it later closed.

The museum initially displayed Solomon Guggenheim's private artworks, but its collection eventually expanded to contain more than three thousand works, including statuary, which range in origin from the 1890's to the present day. More than 150 works by painter Wassily Kandinsky are an essential part of the collection. The Solomon R. Guggenheim Museum's credo is to exhibit art "from the materialistic to the spiritual . . . from objectivity to non-objectivity." Two of its more colorful exhibitions were a collection of more than one hundred motorcycles arranged along the building's spiral ramp and the creation of a revolving "hotel room," in which paying guests were allowed to spend the night.

and education in art and the enlightenment of the public." In 1939, the foundation founded the Museum of Non-Objective Painting to showcase much of Guggenheim's private collection, with Rebay as its curator. By this time, he had sold off most of his previous collection of older artworks. The museum was not intended to be permanent and was housed in rented quarters. In 1943, architect Frank Lloyd Wright was commissioned to design a permanent modern art museum.

Legacy

At his death in 1949, Guggenheim reportedly bequeathed between $8 and $10 million to his foundation, which had diligently promoted abstract art during the late 1930's, awarded scholarships and grants to artists in need, and financed displaced European artists in the 1940's. The foundation continues to operate into the twenty-first century. Among its activities, it stages an annual exhibition of works by New York City elementary school children at the Solomon R. Guggenheim Museum. The organization remains influential in the art world through its programs in art scholarship, research, and conservation; it has materially assisted in the founding of several museums, including the Guggenheim Museums in Bilbao, Spain (designed by architect Frank Gehry), Berlin, Abu Dhabi, and Las Vegas, and the museum housing the collection of Solomon Guggenheim's niece, the art collector Peggy Guggenheim, in Venice, Italy. Some of these museums are distinguished by their unusual architectural styles. Rebay served on the foundation's board after Guggenheim's death, but she was eventually ousted for reasons apparently related to her rather eccentric personality.

An enormously successful businessman but not considered one of the "robber barons," Solomon R. Guggenheim came into his extreme wealth through a combination of family ties and his own proven expertise in business. If he exploited those who labored in his mines it is not recorded, and by all accounts he was a strict but fair employer. He retired while still a relatively young man and used his fortune not only to accommodate his own tastes but also to bring an appreciation of art to the general public. His foundation was the chief means of accomplishing these goals, and the museum he founded continued to operate programs for the public's enjoyment into the twenty-first century. One of the museum's activities is a popular program called "Art After Dark," which features gala festivities at the museum. The Guggenheim Museum also sponsors art appreciation programs taught by professional artists at New York City schools. Guggenheim's fervent support of the work of modern nontraditional artists helped bring their art to the attention of a wider audience. Although it has sometimes created controversy, the Solomon R. Guggenheim Museum stands as a monument to his devotion to fostering the arts.

—*Roy Liebman*

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See also: Henry Clay Frick; Isabella Stewart Gardner; J. Paul Getty; Meyer Guggenheim; Peggy Guggenheim; Armand Hammer; Andrew Mellon; Abby Aldrich Rockefeller.

Edward Cecil Guinness

Irish aristocrat and brewer

During Guinness's lifetime, his eponymous family brewery was the largest in Ireland and among the largest in the world. Guinness donated some of his almost £11 million fortune to the working poor, the arts, hospitals, Trinity College Dublin, and scientific research about infectious diseases and brewing techniques.

Born: November 10, 1847; Clontarf, Ireland
Died: October 7, 1927; London, England
Also known as: Edward Cecil Guinness, first earl of Iveagh; Viscount Elvedon
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Spouse; children; charity; educational institution; medical institution

Early Life

The Guinness family had been brewers in Ireland for three generations when Edward Cecil Guinness (GIHN-ehs) was born in 1847. According to family lore, the recipe for the stout that made the Guinness fortune was actually the brainchild of Arthur Price, archbishop of Cashel, Ireland. When Price died in 1752, he gave £100 to his servant, Richard Guinness, and to Guinness's son Arthur. In 1759, Arthur Guinness signed a lease on an unused brewery in Dublin and began brewing porter and ale. Arthur's grandson, Sir Benjamin Lee Guinness (1798-1868), inherited the brewery upon the death of his father, Arthur Guinness II, in 1855. Benjamin was the father of Edward Cecil and three other children.

In 1855, Benjamin bought Ashford Castle in County Mayo, which he expanded with a second house on the site when Edward was seven years old. At the age of fifteen, Edward joined the brewery management team. Upon his father's death, he and his brother Arthur became joint owners of the brewery until Edward bought Arthur's share after Arthur became the first Baron

Ardilaun. In 1873, Edward married a cousin, Adelaide Maria Guinness (1844-1916), who was accomplished in social circles. The couple, who had the most profitable brewery business in Ireland, lived on £150,000 a year while raising three sons, Rupert, Ernest, and Walter.

In 1876, Edward began serving in political positions that were incumbent upon one of his rank, wealth, and social standing. He initially was the sheriff of Dublin and became high sheriff of the city in 1885. In 1886, he was given his first honorary law degree from Trinity College Dublin, and in 1891 he received the same degree from the University of Aberdeen.

FIRST VENTURES

In 1876, Guinness increased the size of his brewery, adding another sixty-four acres, and he extended the brewery's product line with three types of stout—two that were sold only in Ireland and another that was an international export. In 1886, the brewery was incorporated as Arthur Guinness Son & Co. Ltd. and began trading its stock on the London Stock Exchange. While he assumed various management positions over the years, Guinness always kept his finger on the pulse of the business, contributing to and being consulted about all aspects of strategic planning and marketing. In the later years of the nineteenth century, the brewery produced more than one million barrels and was valued at almost £500,000. One of Guinness's most successful and profitable business strategies was his decision not to own taverns, which would have served as the primary sites for sale of his beers. Instead of buying taverns, he invested the brewery's profits in research aimed at improving the quality and manufacture of his beers.

MATURE WEALTH

As industrialists and politicians, the Guinness family has always been committed to philanthropic and charitable works to improve their communities. Following the example of his father, Edward financed construction of housing for working people in urban areas of Ireland through his Guinness Trust in 1890 and the Iveagh Trust in 1900, in one decade spending about a £500,000 for these homes. He used £250,000 of his personal funds for the clearance of Dublin's notorious Bull Alley, replacing derelict buildings with a market and the Iveagh Play Center.

Guinness, whose business continued to profit despite the British government's efforts to raise taxes, diversified his holdings and increased his income by purchasing

KENWOOD HOUSE

Kenwood House, a London estate, dates from around 1700, with its gardens dating from 1745. In the middle years of the eighteenth century, its owner, William Murray, first earl of Mansfield, hired prominent architect Robert Adam to modernize the house and transform its appearance following the popular neoclassical style. The second and third earls of Masefield continued renovations through 1796. Over the years, the house fell into disrepair and was slated for demolition when it passed out of the Masefield family, at which time brewer Edward Cecil Guinness bought it in 1925 for £108,000.

The property has a main house, a farm, and mannered gardens that are partially designed as a heath but also include a flower garden and hay meadows. At Guinness's death in 1927, Kenwood House was bequeathed to the British government, along with an annual maintenance budget of £50,000 from the Guinness fortune. In 1929, the Iveagh Bequest Act made the house and its grounds a permanent possession of Great Britain, managed by the English Heritage preservation agency.

Guinness's bequest included sixty-four artworks and a furniture collection. Upon Guinness's death, these holdings were moved from his Grosvenor Square, London, house to his Kenwood estate. Guinness acquired much of his artwork through London auction houses, primarily purchasing seventeenth century Dutch and Flemish paintings by notable artists, including Rembrandt, Jan Vermeer, and Sir Anthony van Dyck. Guinness eschewed the sporting theme paintings that were popular with so many aristocrats in favor of portrait paintings and miniatures that he initially purchased between 1871 and 1891. Critics agree the *Self-Portrait* of Rembrandt is the collection's masterwork. Other notable works are Vermeer's *Woman Playing on a Lute* and *The Guitar Player,* George Romney's *Lady Hamilton at the Spinning Wheel* and *Mrs. Musters*, and Thomas Gainsborough's *Mary, Countess of Howe* and *Venus Chiding Cupid*.

Of the sixty-four paintings Guinness bequeathed, ten were by Romney, eight by Gainsborough, and fifteen were by Sir Joshua Reynolds. These works were valued at nearly £2.5 million and were deemed irreplaceable. Many of the eighteenth century English paintings had been exhibited by the artists and are considered either representative of their styles or innovative in their composition techniques. By the twenty-first century, the Iveagh Bequest had expanded the collection to more than two hundred paintings and miniatures, supplemented by a large furniture collection.

properties in Great Britain and the United States. In 1894, Guinness bought his fourth home, Elveden Hall, located in the west of Suffolk, England, and turned it into a twenty-three-thousand-acre shooting estate. Throughout the 1890's, his financial acumen enabled the brewery to outstrip its Irish and international rivals by producing limited, high-quality products, conducting ongoing research into beer making, and maintaining sound business practices. In 1895, he was made a knight of the Order of St. Patrick and a knight of the Order of St. John of Jerusalem.

From 1902 until 1927, he again served as chairman of the board of the Guinness brewery. In 1905, Guinness became Viscount Iveagh. The following year he was elected a fellow of the Royal Society, and two years later he was appointed to serve as a chancellor of Trinity College Dublin, from which he earned his two college degrees in 1870 and 1872. During World War I, Guinness's personal income was about £700,000 a year. In 1910, he became a Knight Grand Cross, Royal Victorian Order, and in September, 1919, he was given the titles first earl of Iveagh and viscount of Elveden.

Guinness created large trust funds for his three sons. His brewery earned more than £1 million annually during the first three decades of the twentieth century. After World War I, as the brewery business declined, Guinness worked to retool its product line, improve marketing strategies, and engage in necessary cost cutting while maintaining the beers' reputations for freshness, taste, and quality.

Legacy

Edward Cecil Guinness was the beneficiary of great wealth, and he kept up the tradition of philanthropy inherited from his father. At his death in 1927, he left an estate valued at between £11 and £13 million. He created trusts for the support of the working poor; he bequeathed Kenwood House, a stately London residence, to the British government, which operates it as a public art museum; and he sponsored research by the Lister Institute aimed at inhibiting the spread of diseases in Dublin. His funding also created the Chadacre Agricultural Institute in west Suffolk in 1921 in order to teach farmers and farmworkers effective agribusiness practices.

—*Beverly Schneller*

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See also: Emilio Bacardi; Edgar Bronfman, Sr.; Samuel Bronfman; Adolphus Busch; Ernest Gallo.

Calouste Gulbenkian

Turkish oil magnate

Gulbenkian made his fortune in the international petroleum business, working to organize the world's first oil cartel, the Iraq Petroleum Company, in the 1920's. At the time of his death in 1955, Gulbenkian left $70 million in cash and a £5-£10 million annual endowment and sizable art collections to establish an international charitable foundation.

Born: March 29, 1869; Scutari, Ottoman Empire (now Üsküdar, Istanbul, Turkey)
Died: July 20, 1955; Lisbon, Portugal
Also known as: Calouste Sarkis Gulbenkian; Mr. Five Percent
Source of wealth: Oil
Bequeathal of wealth: Children; charity

Early Life

Calouste Sarkis Gulbenkian (kahl-LOU-stay SAHR-kihs guhl-BEHN-kee-an) was the son of Sarkis and Dirouhie Gulbenkian. He came from a family of bankers and merchants long established in what is now Istanbul, Turkey, where his Armenian father was an important oil magnate. The young Gulbenkian's early education was at the French lycée in Istanbul. He showed little initial acumen in finance, being more drawn toward mechanics and engineering. These interests laid the groundwork for later success, as he learned to apply scientific and mathematical techniques to business problems. This methodical approach would distinguish him throughout his career, making him a superb negotiator.

In 1886, his father sent him to London to study petroleum engineering at King's College. Upon the death of his father, Gulbenkian and the other heirs dissolved the family banking business, and Gulbenkian formally immigrated to England, becoming a naturalized British citizen in 1902.

First Ventures

Despite his excellent education and the initial contacts provided by his family, Gulkenkian could not be considered truly wealthy at the inception of his business career. The best early estimate of his net worth was £500,000 in 1908. Gulbenkian quickly learned the importance of developing personal relationships, two of which were with Henri W. A. Deterding and Marcus Samuel, first Viscount Bearsted. Both men had been involved with separate oil ventures, with Bearsted's merchant house having built the first oil tanker in 1892. Gulbenkian met both these men soon after settling in London. After several years of fruitless competition and initial rejection of a Turkish-based franchise, Gulbenkian convinced Deterding and Samuel to join forces with him in what became known as the Royal Dutch Shell Corporation. In 1907, he induced his American law firm to sponsor the new company's listing on the New York Stock Exchange. This listing resulted in the creation of the giant Shell Corporation of America and provided millions of dollars to the new firm, which became a major competitor of Standard Oil Company. This was Gulbenkian's first international venture, for which he received a 2 percent commission and, according to some sources, 5 percent of the equity, leading to his nickname of "Mr. Five Percent."

Mature Wealth

In addition to his early realization that the automobile would have a significant impact on worldwide demand for oil, Gulbenkian had a major advantage over his European and American counterparts. Unlike most of them, he was familiar with the Middle East, because he had spent a year studying the Baku oil fields. He understood that the Ottoman Empire was weak, and he recognized the opportunities that would be available to an astute investor after the empire would fall.

Once again relying on his personal contacts, Gulbenkian in 1910 became technical adviser to Great Britain's financial mission to Istanbul, as well as executive director of the National Bank of Turkey, which ultimately became an all-British venture. Subsequently, the National Bank merged in 1912 with the Turkish Petroleum Company, a joint venture of the largest European oil companies, which sought to obtain exclusive development rights in key areas of the Ottoman Empire. Here Gulbenkian's ability to take the long view was demonstrated as he first surrendered 25 percent of his original 40 percent of holdings in Turkish Petroleum to incorporate Royal Dutch Shell into the consortium and subsequently yielded an additional 10 percent to the British government's Anglo-Persian Oil Company. Although this divestment reduced his personal interest to the legendary 5 percent, he acquired long-term relationships with both the Turkish Petroleum and Anglo-Persian companies.

In handling business negotiations, Gulbenkian displayed his intelligence, unflagging industry, and energy. Almost as important as these attributes was his detailed, mathematical mind, which at times seemed almost brooding as he examined the relevant data before him. Combined with his background as a naturally suspicious ethnic Armenian, he was a formidable adversary in complex negotiations. Some people described him as ruthless in his business dealings.

Gulbenkian's character traits were particularly prominent when the Ottoman Empire was dismantled following World War I. At this time, present-day Iraq, the area that was a primary site of Turkish Petroleum's operations, came under British mandate, and it was fortunate that Gulbenkian had earlier acquired British citizenship. Although he had worked before the war to bring Deutsche Bank and other German interests into Turkish Petroleum, he now brought French businesspeople into the oil consortium, a move that effectively founded the French oil production industry. He continued to develop Turkish Petroleum throughout the 1920's, resulting in the integration of American interests and culminating in what became known as the 1928 "red line agreement," whereby Gulbenkian reportedly mapped the boundaries of the consolidated venture with a red pen. Thus was formed the world's first oil cartel—renamed the Iraq Petroleum Company—which shaped the Middle East oil industry for the next twenty years. As usual, Gulbenkian emerged with his legendary 5 percent of this venture.

The 1930's continued to be a successful period for Gulbenkian, but storm clouds were emerging. He benefited handsomely from Iraq Petroleum's escalating revenues, but like any successful entrepreneur, he had made enemies, partially because he had moved his permanent residence from London to Paris during the 1920's. Perhaps as a result, disagreements with the British frustrated his participation in a Saudi Arabian oil concession in 1931. At the outbreak of World War II, he fled his Paris residence, taking up domicile in Vichy France, the puppet state established in southern France. According to British wartime legislation, this move was considered an enemy act and resulted in his being stripped of both his 5 percent interest in Iraq Petroleum and his British citizenship.

Gulbenkian had been a commercial counselor in the Persian (Iranian) diplomatic service for many years, and he assumed Persian citizenship. However, his citizenship became an issue when Persia declared war on the Axis countries, and he moved to neutral Portugal, taking up

The Calouste Gulbenkian Foundation

Despite the urging of his family and others, Calouste Gulbenkian did not establish a museum or memorial during his lifetime. He did loan some his art collections, notably in Great Britain from 1930 to 1950, even though his British citizenship was revoked during World War II.

In his will, drawn up in 1953, he provided for the formation of the Calouste Gulbenkian Foundation. Like everything else he did in his life, his will was clearly detailed, outlining how the foundation was to operate. Recognizing that neutral Portugal permitted him to immigrate to Lisbon during the war, Gulbenkian made this country the primary beneficiary of his estate. His will states that the foundation is to be permanently headquartered in Lisbon and operate under the laws of Portugal and that a majority of the members of the board of directors are to be Portuguese citizens. However, he permitted the foundation to have branches in other countries, as the directors saw fit.

The stated objective of the foundation, established in 1956, is to support worldwide projects in the fields of art, education, science, health, and social welfare. The centerpiece of the foundation is the Calouste Gulbenkian Museum, located in central Lisbon on approximately twenty acres of land. Opened in 1969, the museum has three major buildings: the museum itself, the foundation's headquarters, and the grand auditorium. The Lisbon museum is supplemented by branches in England and France, a reflection of Gulbenkian's nearly sixty years of residency in London and Paris.

Gulbenkian developed his love of art and culture early in life, and he continued to pursue these interests throughout his business career. He endeavored to visit museums every time he traveled, and he was able to do so without detracting from his business pursuits. The results of his interest in art are evidenced by his art collection, with items from 2800 B.C.E. through the twentieth century. In addition to numerous paintings by some of the world's great masters, there are many impressive sculptures. Overall, his collection totals some six thousand items, ranking it among the largest ever amassed by a single collector.

There is also a smaller museum and church in Armenia, demonstrating his devotion to the Armenian Christian faith.

The Gulbenkian Museum contains far more than works of art. The facility has a music department, comprising three resident groups—an orchestra, choir, and ballet company. These groups regularly organize dance and concert performances in Lisbon and other cities in Portugal. In 1999, the foundation arranged to loan about eighty of its works to the Metropolitan Museum of Art in New York City, which helped enhance the international reputation of Gulbenkian, who is generally not well known in the United States.

residence in Lisbon at the exclusive Hotel Avis in 1942. During the period from 1945 to 1948, Gulbenkian obtained the right to recover his Iraq Petroleum investment, although he never reapplied for British citizenship. Gulbenkian was very careful with his money, which he devoted to art and other cultural pursuits. His collections included paintings by Rembrandt, Edgar Degas, Pierre-Auguste Renoir, and Thomas Gainsborough; Jean-Antoine Houdon's sculpture of Diana; and J. P. Morgan's collection of ancient Greek coins.

Gulbenkian was physically healthy into the early 1950's, and the continued success of Iraq Petroleum continued to add to his wealth. However, in 1953, he was bedridden, assisted by numerous nurses. His last visit outside the hotel was at Christmas in 1954. He died peacefully on July 20, 1955, at the age of eighty-six.

Legacy

Calouste Gulbenkian's attained his success in part because he understood the importance of developing relationships with people from a wide range of nationalities. Armenian by ethnicity, he adapted quickly to Western life, living in London and Paris for almost sixty years but quickly relocating to Lisbon when the situation required it. Throughout his life he retained his Middle Eastern contacts, which served him well when he was forced to become a Persian citizen during World War II. Gulbenkian was equally flexible in his negotiating skills. He never engaged in an important business discussion without having a fallback position, which allowed him to quickly consider alternatives. Overall, it might be said that he was a forerunner of the modern global businessman. His legacy is the museum he endowed in Portugal, with branches in England and France, where millions of visitors have enjoyed the fruits of his labor.

—*Ralph W. Lindeman*

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See also: Hugh Roy Cullen; Edward L. Doheny; J. Paul Getty; Armand Hammer; H. L. Hunt; Clint Murchison, Sr.; Joseph Pew; Sid W. Richardson; John D. Rockefeller; Harry F. Sinclair.

Thomas Guy

English bookseller, printer, and speculator

Guy was a successful bookseller, specializing in Bibles, but earned even greater wealth by speculating in the stock of the South Sea Company. Although regarded as a miser in his lifetime, he nevertheless founded one of London's most prestigious teaching hospitals, endowing it as a charity for the incurable.

Born: 1644 or 1645; Southwark, London, England
Died: December 27, 1724; London, England
Sources of wealth: Sale of products; investments
Bequeathal of wealth: Relatives; friends; charity; medical institution

Early Life

Thomas Guy was the eldest of three children born to Thomas Guy, a coal merchant, carpenter, and barge operator, and Anne Vaughton. The elder Thomas was a Baptist at a time when Baptists were known as "dissenters" and were a small and despised group. He worked out of a small wharf in Southwark, near London Bridge. Young Thomas, his brother, and sister were born and lived nearby the wharf in a relatively poor part of London. The elder Thomas died when young Thomas was only eight, and Anne returned to her birthplace, Tamworth, in the Midlands, where her family had good standing.

It is generally believed that Guy attended Tamworth Free Grammar (high) School during the Commonwealth period (1650-1660), where he would have been taught Latin and Greek and probably math. In 1660, the year of the restoration of King Charles II, Guy returned to London to be apprenticed to John Clarke, a bookseller in Cheapside, next to St. Paul's Cathedral. At the end of his apprenticeship in 1668, Guy bought a bookstore in Cornhill and its stock of £200 worth of books. The store was situated in the financial heart of London, near Mansion House. That year he was admitted as a freeman of the Stationers' Company, becoming a liveryman five years later. These positions gave him the credentials to sell and print books. In 1670, he was made a freeman of the city of London, and he also served the city as an alderman.

First Ventures

One of Guy's main concerns as a bookseller was to sell Bibles. He saw the market for cheap but well-produced Bibles. However, the Stationers' Company, along with the Oxford University Press, had a virtual monopoly on printing Bibles. The Bibles the Stationers' Company produced were either very poorly printed or very expensive. The university press was not interested in the Bible market, and so did nothing with its printing permit.

At first, Guy tried importing Bibles from Holland, but this was technically illegal, as it broke the monopoly agreement. However, Guy's efforts attracted the attention of two clergymen who shared his concern. They negotiated with the university press to allow Guy to print Bibles for them. This venture succeeded, and Guy was soon making a good profit of some £15,000.

Guy began to show the characteristics of his life that marked him for future fame. He remained unmarried and lived very frugally. He was accused by a rival bookseller of paying low wages and not giving money to charity. However, Guy did engage in philanthropic ventures with his new wealth. The first such venture was providing for the extension of the grammar school at Tamworth. He next bought land in Tamworth in order to establish an almshouse for six poor women. This building was completed in 1678 at the cost of £200. The structure was enlarged in 1693 in order to provide six places for men. Guy also paid to build a workhouse for the destitute of Tamworth and a spinning school, a sort of early industrial school for women.

Mature Wealth

Selling Bibles continued to be Guy's main trade and source of income. He used the wealth derived from it in a number of ways. He started to loan out money at a time when there was not a permanently established banking system in London. He tried to enter politics, running as a candidate from Tamworth in the 1690 parliamentary elections. His election came at a time when being a member of Parliament was an unpaid position. Guy was unsuccessful in 1690, but in 1695 he was elected as a member of the Whig (liberal) Party, remaining as one of Tamworth's two members of Parliament until 1708. In 1694, he was elected against his will as sheriff of London, and he preferred to pay a £400 fine rather than accept the office. He was defeated in the 1708 elections, and he became so embittered against Tamworth that he withdrew from performing any further philanthropy for the town.

Guy supplemented his mature wealth by engaging in two ventures, both of which used his bookselling profits as his capital. The first venture was trading in seamen's pay tickets during the War of the Spanish Succession

(1701-1714), which Great Britain waged against France and Spain. This activity was a type of speculation in futures.

The second venture was his investment in the South Sea Company. The company had been founded in 1711 by Robert Harley, first earl of Oxford, as a way of managing the national debt incurred by the War of the Spanish Succession. The company was given a monopoly to trade with the Spanish colonies of South America, in return for which the company would give the British government £10 million. The government would then pay the company a 6 percent return on this sum. The South Sea Company raised the £10 million by selling shares at £100 each. However, what trading the company did was mainly in slaves; in fact, it did very little trading, and rather gradually took on more government debt. By 1720, the value of the company's shares skyrocketed, climbing from £128 per share in January to more than £1,000 by the end of August. At this time, companies and stock transactions were unregulated, and the general public had little experience of the stock market. Guy perhaps intuitively was able to read the market, and he sold his shares at an enormous profit before the "South Sea bubble" burst, the first major collapse of a publicly traded company. The parliamentary report on the collapse implicated many politicians in a generally corrupt scheme, and a number of people were prosecuted. The profits Guy earned by selling his South Sea Company stock dwarfed the fortune he obtained by selling Bibles. It is variously estimated that he bought his shares in the company for between £42,000 and £54,000, and he sold them in 1720 for about £234,000.

By 1704, Guy had retired from active trade, and he began to take an interest in St. Thomas's Hospital, one of the main hospitals in London, located near his birthplace. That year he became one of the hospital's governors, and

This cartoon satirizes the frantic investment in the South Sea Company, depicting gambling priests, speculators being "taken for a ride" on a merry-go-round, and a monument to the destruction of the city "by the South Sea." Thomas Guy made a large profit by selling his shares in the company before the "South Sea bubble" burst. (Hulton Archive/Getty Images)

Guy's Hospital

In the twenty-first century, Guy's Hospital continues to be one of London's leading hospitals and has a worldwide reputation for excellence. The facility is administered as a part of the Guy's and St. Thomas's (Hospital) NHS (National Health Service) Foundation Trust. The facility is allied to King's College, London, as a teaching hospital for doctors, nurses, and dentists. Guy's Hospital specializes in dentistry and is the largest dental hospital in Europe.

The hospital's founder, bookseller Thomas Guy, was a generous benefactor to St. Thomas's Hospital. Richard Mead, a physician, persuaded Guy to build a hospital for those patients who had been discharged from St. Thomas's because they were deemed incurable. In 1721, Guy leased land from St. Thomas's Hospital in Southwark, on the south bank of the Thames River, near London Bridge. Construction of the new hospital began on this site in 1722.

The original buildings cost £18,793 to construct when they opened for business in 1724. Many of these first buildings erected by Guy continue to stand, including a chapel and two forecourts containing his statue. The structures are excellent examples of early eighteenth century Georgian architecture.

Various other benefactors helped enlarge the hospital. In 1829, William Hunt provided £200,000 for an additional one hundred beds. In the twentieth century, Lord Nuffield financed extensive redevelopment, and the Wolfson Foundation provided funds for the Wolfson Centre for Age-Related Diseases. In 1974, the thirty-four-story Guy's Tower was erected, making the facility the tallest hospital building in the world.

A long list of distinguished physicians have worked at the hospital. Three have had diseases named after them: Thomas Addison, Thomas Hodgkin, and Richard Bright. Sir Alexander Fleming, the discoverer of penicillin, was also a physician there. The Romantic poet John Keats studied at Guy's Hospital in the 1820's with the intention of becoming a surgeon but decided to become a poet instead.

he looked for ways to donate some of his wealth to the facility. He gave £1,000 to build three new wards and £100 per year to fund them. A few years later, he donated an additional £3,000.

While Guy was seeking ways to benefit St. Thomas's Hospital, a leading London physician, Richard Mead, persuaded Guy to build a new hospital to care for those patients at St. Thomas's who were pronounced incurable. In 1721, Guy leased land from St. Thomas's in Southwark, on the south bank of the Thames River, near London Bridge. The lease was for a period of 999 years. At first, Guy saw the new hospital as remaining a part of St. Thomas's, but he eventually decided to found an entirely new facility, which would be called Guy's Hospital. Construction work started in 1722, and the new buildings were roofed just before his death in 1724. The facility's first matron, Ann Rainey, was from Tamworth, and Guy had known her from boyhood.

Guy was buried at St. Thomas's Parish Church, Southwark. At the funeral, there were more than forty carriages and a large number of poor people who saw Guy as their benefactor. About fifty years later, his body was reburied in the crypt of Guy's Hospital Chapel, which continued to stand in the twenty-first century. A portrait of Guy, painted in 1706 by John Vanderbank, hangs inside the crypt.

Legacy

Thomas Guy was worth about £300,000 at his death. More than two-thirds of this sum went to the foundation of Guy's Hospital in order to maintain the upkeep of four hundred beds. A ward for twenty insane patients was also included in this bequest. To mark his benevolence, a statue of Guy was erected in front of the hospital alongside statues of Christ and the Good Samaritan.

The rest of his fortune was dispersed in a number of other ways. Friends and relatives received bequests of £1,000 each. Christ's Hospital, a school for poor children in London, received funds to provide £400 worth of scholarships each year for four students. In addition, a fund was established to help release poor debtors from prison.

Guy's primary legacy is the establishment of the hospital that bears his name. He is perhaps the first person from a humble background to single-handedly found such a prestigious institution, setting an example of philanthropy for self-made men for the next two centuries. His insight into handling stocks showed how others could amass personal fortunes in the stock market. He also demonstrated that self-made men do not have to live ostentatiously in order to gain social respect and honor.

—*David Barratt*

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See also: Sir John Banks; James Craggs; Stephen Fox; First Duke of Marlborough; William Pulteney.

Armand Hammer

American merchant, industrialist, oil magnate, and art collector

Hammer made fortunes throughout his life, but he amassed great wealth when he changed Occidental Petroleum from a small company to a large worldwide oil and gas corporation. His contributions to charities were as diverse as his business ventures and included donations for an art museum and school.

Born: May 21, 1898; New York, New York
Died: December 10, 1990; Los Angeles, California
Sources of wealth: Oil; manufacturing; trade
Bequeathal of wealth: Children; educational institution; museum

Early Life

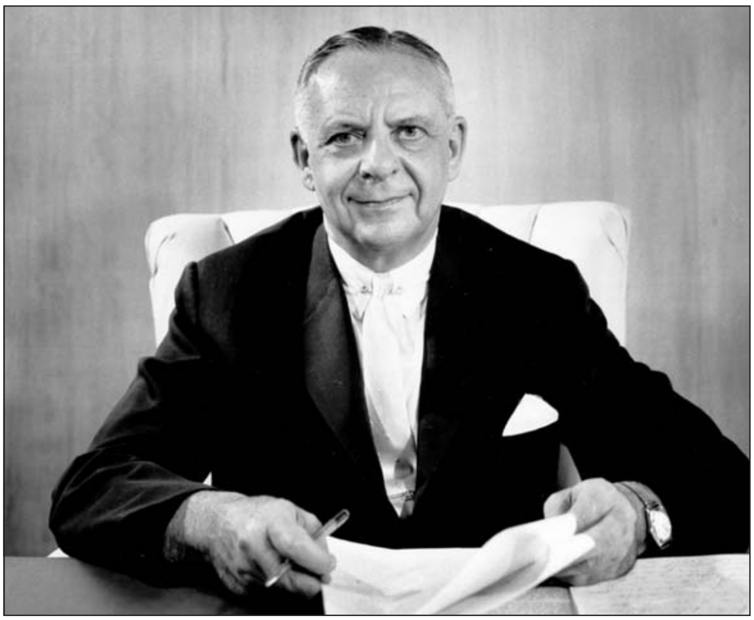
Armand Hammer (AHR-muhnd HAM-uhr) was born in New York City to Julius and Rose Hammer in 1898. Julius emigrated from Odessa, Russia, in 1875, settled in the Bronx, New York, and earned his living by practicing medicine and running a number of drugstores. Hammer received a B.A. degree from Columbia College in 1919. While he was attending the College of Physicians and Surgeons at Columbia, he earned his first fortune through speculation. He and his family bought up medical supplies after the prices had dropped and then resold them when the prices rose. Hammer earned $1 million as a result of this speculation.

In 1921, Hammer visited the Soviet Union as a medical volunteer, helping victims of starvation and typhus in the Ural Mountains. Hammer knew that American farmers were burning surplus grain. After witnessing the Soviet famine, he sent the Soviet government one million bushels of American-grown wheat that he had bought for one dollar a bushel in exchange for Russian furs and caviar. Hammer received his medical license in 1924, but he had already decided to conduct business with the Russians, and he never practiced medicine.

First Ventures

Through his father's political connections, Hammer met the Soviet leader, Vladimir Ilich Lenin, who offered Hammer numerous trade concessions. Hammer was permitted to establish an import-export business, and he imported a variety of Russian goods and exported medical supplies to the Soviet Union. He later managed an asbestos mine in Siberia and manufactured pencils. To start his pencil business, he smuggled German pencil-making machines into Moscow by breaking them down piece by piece. His plant not only produced cheap pencils for Russians but also exported pencils to neighboring nations. The A. Hammer Company made a profit of $1 million at the end of its first year. After he built more plants and the business became profitable, the Russian government bought him out for a large sum of money.

Hammer left the Soviet Union when Joseph Stalin came to power, and he stopped doing business with foreign countries. He made another fortune in the United States by selling czarist works of art he had bought in Moscow at bargain prices. He first sold these artworks at galleries in New York City and latter marketed them in department stores during the Depression. After the repeal of Prohibition, he earned millions of dollars worth of profits by making whiskey barrels with Russian oak and commercial alcohol and whiskey with rotting Maine potatoes. He founded the J. W. Dant Distilling Company after he acquired eleven distillers. He garnered $3 million in annual profits from these distilleries until he sold



Armand Hammer. (AP/Wide World Photos)

The Armand Hammer United World College of the American West

The Armand Hammer United World College of the American West—more commonly known as United World College-USA (or UWC-USA)—is located in the historic Montezuma Castle in Montezuma, New Mexico. Formerly known as the Montezuma Hotel and owned by a railroad company, the castle became the property of the Baptist Church and then the Catholic Church. Armand Hammer paid $2 million to buy the 110-acre property in 1981 and to renovate the building, and he founded the school the following year. The college underwent a $10.5 million renovation in 2000-2001.

UWC-USA is one of thirteen United World colleges in North America, Central and South America, Europe, Asia, and Africa. In 2009, UWC-USA was a two-year, independent, boarding school with about two hundred students between the ages of sixteen and nineteen. Of these, 50 students were Americans, while the remaining 150 students came from more than eighty other countries. Moreover, of the fifty places reserved for American students, twenty-five students attended classes at the New Mexico campus, while the other twenty-five were enrolled at one of the twelve other UWC campuses, including schools in Canada, Costa Rica, India, Swaziland, the United Kingdom, and Bosnia and Herzegovina.

The college's mission is to teach international understanding by bringing students of diverse ethnic and social backgrounds into an environment in which they must work together for success. School programs emphasize community outreach, wilderness experience, and Southwest studies through regularly scheduled community and wilderness service commitments. UWC-USA also offers the international baccalaureate (IB) program, which is one the world's first international curriculua. To fulfill the IB requirements, students perform course work in six subjects and participate in various forms of extracurricular activity. Another program called Constructive Engagement of Conflict seeks to assist students in developing skills that will enable them to understand privilege and power and to alleviate social inequities. Many UWC graduates go on to attend top institutions of higher education in countries all over the world.

them in 1954. Hammer also went into the Angus cattle raising business, and in 1954 he auctioned off his herd for more than $1 million.

Mature Wealth

By the mid-1950's, Hammer had retired and was living in California. In 1956, he and his third wife, Frances, invested $100,000 in two California oil wells that Occidental Petroleum planned to drill. Occidental owned only eight nearly played-out wells and had sales of only $30,000 a year. After both wells struck oil, Hammer decided to come out of retirement and become involved in the company's operations; he became president and chairman of Occidental in 1957. At the same time, he acquired the moribund Mutual Broadcasting System and sold it a year later for $1.3 million. Two years later, Hammer acquired Gene Reid Drilling Company of Bakersfield, California. In 1961, when the company drilled the Lathrop field in San Francisco, it found natural gas worth hundreds of millions of dollars. Occidental Petroleum scored a major victory in 1966, when the company, which had been granted the rights to explore and use Libya's natural resources, discovered a billion-barrel oil field. In another important deal, Occidental acquired Cities Service Company, an oil firm in Oklahoma, for $4 billion in 1982. This transaction made Occidental the eighth largest oil company in the United States. Other acquisitions included Midcon, a gas pipeline company for $3 million in 1985, and Cain Chemical for $2.2 billion.

Hammer did not focus only on oil and natural gas ventures. For example, he bought Iowa Beef Packers, the biggest meatpacking business in the United States, for $750 million in 1981; six years later, he sold 40.5 percent of this company for $960 million. He also transacted important business deals with other countries, such as selling phosphate fertilizers to the Soviet Union in exchange for ammonia and urea, constructing a phosphoric acid plant in England, and developing a coal mine in China.

Forbes magazine ranked Hammer as one of the wealthiest Americans in 1987. His fortune diminished substantially after that year and was estimated to be between $100 million and $180 million. He owned less than 1 percent of Occidental stock, and he used his unchallenged power as the company's chief executive officer and chairman to fund his personal spending. He bought one of Leonardo da Vinci's notebooks, *Codex Leicester* (written between 1490 and 1519), for $5.3 million. Occidental paid more than $80 million to build the Armand Hammer Museum; the company also provided the museum with a $36 million endowment to pay for operating expenses. The museum, opened to the public in November, 1990, housed Hammer's art collection, which was valued at $300 million. He also donated to charities, although there was some question if these donations were made from his personal funds or from Occidental's money. Some of his important philanthropic contributions included $14 million to the charities of Charles, Prince of Wales; donations to the Armand Hammer Center for Cancer Biology at the Salk Institute in La Jolla, California; and the Hammer Prize for cancer research, a ten-year, $1 million program.

Hammer died at his home in Los Angeles, California, in 1990 at the age of ninety-two after suffering from chronic anemia, bronchitis, a kidney ailment, prostate enlargement, an irregular heartbeat, and bone marrow cancer. He had established a confidentially administered fund to provide the proceeds of his fortune to two institutions—his museum and the Armand Hammer United World College of the American West. According to his employment contract, Occidental had to pay him a $2.3 million salary until his ninety-ninth year. A grandson from his second marriage, Michael Hammer, was the executor of his estate and the administrator of his living trust. Michael dealt with inheritance disputes and claims from charities against Hammer's estate. At least two cases were settled. Hillary Martha Gibson, Hammer's former mistress, claimed he had promised to support her for the rest of her life. Her claim was settled out of court in 1996, and she received $4.2 million. In addition, a political organization to which Hammer had pledged $50,000 in 1990 received the money in 1997.

Legacy

Armand Hammer left a significant legacy as both a businessman and philanthropist. He controlled Occidental Petroleum for more than thirty years, and in that time he transformed it from a small local firm to a major worldwide oil and gas company. In 2009, Platts, a leading energy information provider, placed Occidental at twenty-one on a list of the top 250 global energy companies.

As a philanthropist, Hammer donated a large collection of Old Masters and Impressionist art to the Armand Hammer Museum. This facility, managed by the University of California, Los Angeles, has contributed to the intellectual life of the campus and the community at large. The United World College of the American West, founded by Hammer in 1982, continued to pioneer innovations programs in multicultural and global education into the twenty-first century.

—*Anh Tran*

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Wade Hampton

American planter, military leader, and politician

Born into a rich South Carolina family, Hampton gained wealth of his own as a planter before the Civil War. Suffering financial losses because of emancipation and the war, he afterward became a symbol of Southern honor.

Born: March 28, 1818; Charleston, South Carolina
Died: April 11, 1902; Columbia, South Carolina
Also known as: Wade Hampton III
Sources of wealth: Inheritance; real estate; slaveholding
Bequeathal of wealth: Unknown

Early Life

The wealth Wade Hampton III possessed before the Civil War originated with his grandfather Wade Hampton I, a backwoods businessman in South Carolina who grew rich during the American Revolution. When he died in 1835, his estate was worth $1,641,065, making him one of the foremost American planters. His son Wade Hampton II became the owner of thousands of acres of lands and hundreds of slaves, with property in Mississippi as well as South Carolina. Wade Hampton III was born in Charleston, South Carolina, on March 28, 1818, and he learned to ride and hunt and be a gentleman. In addition, he studied Greek and Latin at South Carolina College, from which he graduated in 1836, and later studied law.

First Ventures

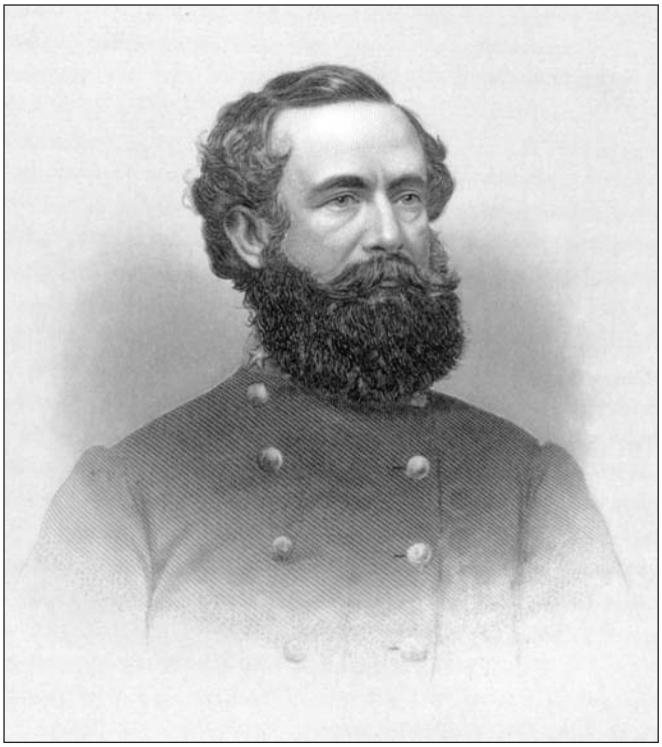
During ten years in the 1840's and 1850's, Hampton invested deeply in the raising of cotton in Issaquena and Washington Counties, Mississippi, where the soil was better than in South Carolina. In Mississippi, he bought four plantations with a total of eight thousand acres, in addition to a hunting preserve of more than two thousand acres. In 1855, he borrowed $170,000 from the Bank of Louisiana. When his father died in 1858 without a will, he worked with his brothers and sisters to divide their inheritance equitably. Through this agreement, he acquired the Walnut Ridge Plantation and its slaves in Mississippi, but he also acquired four-fifths of his father's $500,000 debt.

Mature Wealth

At the beginning of the Civil War, Hampton owned nine hundred slaves and twelve thousand acres of land. Although he thought secession was unwise, he believed the South had a right to secede when President Abraham Lincoln in 1861 called for soldiers to crush Southern resistance. Hampton viewed Lincoln's remarks as a declaration of war against the Confederate states. Despite Hampton's financial trouble, he promised his cotton crop of 1861 to the Confederacy, organized the thousand-man Hampton Legion, and paid for much of his men's equipment.

Starting the war as a colonel, Hampton rose to lieutenant general and proved he was an officer who skillfully led his men in battles and tried to ease their sufferings off the battlefields. The war, however, was a disaster for him. A brother and a son were both killed in action, he himself was wounded, through necessity his debts went unpaid, and Union troops devastated his Mississippi property. In 1865, Union soldiers burned the mansion at his Diamond Hill Plantation in South Carolina, and Hampton's outnumbered army had to retreat from Columbia, South Carolina, leaving it to burn under enemy occupation.

Bankruptcy came in December, 1868, when Hampton owned real estate worth $235,500 and personal property



Wade Hampton. (Hulton Archive/Getty Images) worth $7,905 but owed $1,012,328 and had received nothing for his freed slaves. Eventually, Hampton's household goods were auctioned in Columbia for a total of $118.65. As the only bidder for Diamond Hill, Hampton himself bought what was left of it for $100. Embarrassed at his financial trouble, Hampton still wanted to pay his creditors in full but found that he could never do so.

Legacy

The life of Wade Hampton III as a materially rich man ended in 1868, but as a man of modest means he became rich in the esteem bestowed upon him by most Southerners and even some Northerners. After the Civil War, he served as governor of South Carolina and as a U.S. senator from this state. A Democrat born into the ruling class of the Old South, he believed that he and men like him should govern for the good of everyone, regardless of race. He remained faithful to his state and his former comrades in arms, and while acknowledging Southern military defeat, he defended what he considered the justice of the Confederate cause. Upon his death from heart disease on April 11, 1902, in a house his fellow South Carolinians had given him in Columbia, the South mourned.

—*Victor Lindsey*

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See also: Robert Carter.

John Hancock

American merchant, landowner, and politician

As one of the wealthiest men in colonial America, Hancock's business ventures placed him in direct conflict with Great Britain's taxation and commerce laws, propelling him into political action during the American Revolution.

Born: January 12, 1737; North Braintree (now Quincy), Massachusetts
Died: October 8, 1793; Quincy, Massachusetts
Sources of wealth: Trade; real estate
Bequeathal of wealth: Spouse

Early Life

John Hancock was born January 12, 1737, in North Braintree (now Quincy), Massachusetts, to Reverend John Hancock and Mary Hawke Thaxter Hancock. When his father died in 1744, Hancock was sent to live with his father's brother and wife, Thomas and Lydia Hancock. Thomas owned a large estate, Hancock Manor, and ran a highly successful importing business, the House of Hancock, which made him one of the richest men in Boston. Thomas and Lydia were childless and raised young Hancock as their own son. Hancock graduated from Harvard University in 1754 and then went to work for his uncle.

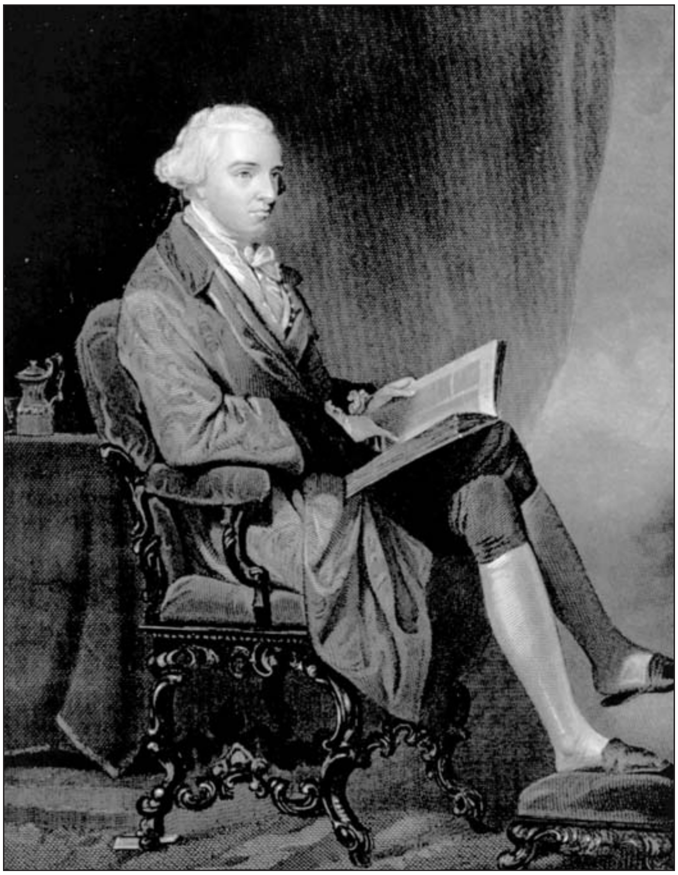
First Ventures

Hancock lived in England from 1760 to 1761, and while there he made many profitable connections with merchants who were interested in exporting their goods to the colonies on his ships. In 1764, Thomas died, leaving John the House of Hancock. John also inherited Hancock Manor, Thomas's estate covering more than one thousand acres. John Hancock was now one of the wealthiest men in Boston.

In 1764, England enacted the Sugar Act in order to obtain tax revenues from the colonies. Many Bostonians opposed the act, protesting that they were being taxed without receiving government representation. Hancock, however, considered himself to be a loyal British subject, and he believed that England had a right to tax the colonies. However, with the imposition of the Stamp Act in 1765, Hancock joined the boycott of British merchandise to protest the new tax, although his main objection was not political but was based on the adverse economic impact of the tax on his business.

Mature Wealth

When Hancock joined the protest against the Stamp Act, he became very popular among Bostonians, who elected



John Hancock. (Library of Congress)

him to the Massachusetts House of Representatives. The British finally repealed the Stamp Act, but in its stead placed burdensome duties on imports through the Townshend Acts of 1767. British customs officials targeted Hancock, one of the wealthiest colonial merchants, by charging that he was smuggling goods on his ship *Lydia* and later on his ship *Liberty*. The British seized *Liberty*, causing riots and elevating Hancock to even greater popularity among Bostonians.

The British revised the Townshend import taxes in 1770, which quieted the protests until 1773, when they imposed the Tea Act. Hancock did not directly participate in the Boston Tea Party on December 16, but he supported the action. The British then enacted the Boston Port Act and appointed a new governor, actions that led Massachusetts to form a provincial congress with Hancock as president. On May 24, 1775, the Continental Congress, meeting in Philadelphia, elected Hancock as its president. He went on to be a major player in the American Revolution. As the president of the Continental Congress, he was the sole signer of the original copy of the Declaration of Independence before it was sent to the printer.

In 1775, Hancock married Dorothy Quincy. The couple had two children; baby Lydia died at ten months and her brother John died when he was nine. After the American Revolution, Hancock was elected governor of Massachusetts. While the war depleted much of his wealth, he still was able to loan money to his friends and to be a generous philanthropist. Hancock died in his home on October 8, 1793, with his wife at his side.

LEGACY

Hancock's wealth and his desire to protect his business ventures inexorably drew him into the conflict with Britain that resulted in the American Revolution. Perhaps Hancock's most memorable legacy in the birth of the United States is his prominent signature on the Declaration of Independence. The phrase "putting your John Hancock on it" is popular slang for signing a document. In his honor, several states have cities and counties named Hancock, and two U.S. Navy ships were named for him, as was a Boston-based insurance company founded in 1862.

—Polly D. Steenhagen

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See also: Moses Brown; Paul Cuffe; Elias Hasket Derby; Benjamin Franklin; Robert Morris; William Penn; George Washington.

Edward H. Harriman

American railroad magnate and speculator

Although Harriman made his great fortune manipulating railroad stock, his genius for reorganizing poorly run lines and his modernization of railroads benefited the American transportation network.

Born: February 20, 1848; Hempstead, New York
Died: September 9, 1909; Orange County (now Tuxedo), New York
Also known as: Edward Henry Harriman; E. H. Harriman
Sources of wealth: Railroads; real estate; investments
Bequeathal of wealth: Spouse; children

Early Life

Edward Henry Harriman (HAR-ree-muhn), widely known in adulthood as E. H. Harriman, was born in 1848 in Hempstead, Long Island, New York, to Orlando Harriman, an Episcopal clergyman, and his socialite wife Cornelia Neilson Harriman. Much of Edward's boyhood was spent in New Jersey. The family had been established in America since Edward's great-grandfather William emigrated from England in 1795. William became well-off in commercial ventures, so the Harriman family was in comfortable circumstances at the time of Edward's birth. By the age of fourteen he had already ended his schooling at a New York private school and went to work as an errand boy on Wall Street, where his Uncle Oliver had established himself. Edward swiftly advanced to a position as managing clerk, and by the age of twenty-one he had purchased a seat on the New York Stock Exchange with $3,000 borrowed from his uncle.

First Ventures

In his twenties, Harriman purchased a Hudson River steamboat. In 1879 he married Mary Williamson Averell, the daughter of a banker and president of a railroad. The marriage apparently was one catalyst for Harriman's continuing interest in transportation companies. In 1881, at the age of thirty-three, he was well on his way to becoming a railroad magnate after buying a failing New York State railroad company, the Lake Ontario Southern Railway, and turning it around. He made a substantial profit from selling the line to the Pennsylvania Railroad, and in 1883 he purchased the Illinois Central Railroad. It was during this time that he deepened his intimate knowledge of railroad operations and his line prospered even through the economic downturns of the 1890's.

Mature Wealth

Since 1897, Harriman had been a director of the Union Pacific Railroad, a once healthy line but in receivership since the Panic of 1893. Beginning in 1898, he was chair of the railroad's executive committee, which put him in a position of almost absolute authority over the company's operations. Already a rich man, this venture increased his wealth considerably. He invested an estimated $25 million in Union Pacific and by 1901 had successfully revived the company. Union Pacific's control of two Oregon railroads gave it an outlet to the West Coast, and thus

Edward H. Harriman. (Hulton Archive/Getty Images)

Arden House

In 1885, Edward H. Harriman, known as a great lover of nature, began to purchase land in Orange County, New York, near the towns of Woodbury and Tuxedo, to protect the area against encroaching lumber interests. The area of his purchases, originally known as Greenwood, had been noted for the iron works established by Robert Parker Parrott and his brother Peter Parrott in the early nineteenth century. Harriman bought the initial 7,863 acres of the Parrott estate, including a small cottage, at auction for a price of $52,500. The sale was undoubtedly facilitated by the fact that New York's iron industry, and hence the Parrotts' commercial enterprises, had gone into decline. Harriman eventually established an estate on his property of some forty thousand acres, including a lake, and built an imposing granite house of 100,000 square feet, resembling a stone castle, which he called Arden. The residence was designed by the architectural firm of John Carrère and Thomas Hastings. Located atop Mount Orama, the mansion had sweeping views of the Ramapo River and the Hudson Highlands.

Construction of the house began in 1905 and was completed in 1909, only months before Harriman's death. During its construction, Harriman had a cable railroad built up the side of the mountain in order to transport workmen and materials. In 1915, his widow Mary Harriman gave Arden House to her son Averell, and she also donated ten thousand acres and $1 million for a state park, which was ultimately named for the family. The idea for this donation had originally been her husband's. As a result of the donation, some seventy thousand acres of what had once been Harriman landholdings are preserved by the state of New York as parkland and wilderness.

During World War II, the U.S. Navy used the estate as a convalescent hospital, and in 1950 Averell and his financier brother E. Roland Harriman sold Arden House to Columbia University. The residence was designated as a National Historic Landmark in 1966 and has also been placed on the National Register of Historic Places. Columbia University operated Arden House until 2005 as part of its Arden Conference Center, which also included the Arden Homestead. In 2007, Columbia sold the vacant house and 450 acres to the Open Space Conservancy for approximately $4.5 million. The Arden Homestead was then sold to a private buyer, who planned to make it a family residence.

enabled it to benefit from the West's increasing role in commerce. In recognition of his role in strengthening the company, Harriman was made president of the line in 1903.

Harriman went on to acquire both the Central Pacific and Southern Pacific lines following the death of Collis P. Huntington in 1900. Harriman consummated the purchase in 1901 with $100 million in bonds that the Union Pacific board had authorized him to spend as he saw fit. As he had with past acquisitions, he greatly improved these lines' operations by upgrading their trackage and overseeing the construction of alternate routes. With these purchases he controlled most of the West Coast's rail traffic, as well as lines headed east to New Orleans.

With Harriman's purchase of the Chicago and Alton Railroad in 1899, there were accusations of stock watering when he issued stock that seemed to have no benefit other than his own self-enrichment. To cement his position in the Midwest, he launched an effort to gain control of the Chicago, Burlington, and Quincy line. Railroad magnate James J. Hill, backed by powerful financier J. P. Morgan, also coveted the railroad and a stock buying frenzy ensued, which ended with each controlling a portion of the company's stock. Their contest caused a financial panic in 1901, and their battle was ultimately settled by the formation of the Northern Securities Company, in which each had a stake. In 1904, the U.S. Supreme Court ruled that this company was a combination in restraint of trade and ordered it to dissolve and dispose of its stock. Harriman, with his strong business acumen, eventually profited from this setback to the tune of more than $50 million.

Harriman used his enormous assets to purchase stock in other railroads all over the United States. Even though many of his purchases did not result in his controlling the lines, they did reinforce his great influence in the railroad industry. In 1906, the Interstate Commerce Commission (ICC) opened an investigation of his financial dealings and ultimately determined that they were "contrary to public policy." Harriman believed that the investigation sprang from the personal animosity that trust-busting President Theodore Roosevelt felt for him. Their enmity apparently dated to a Republican campaign contretemps in New York State in 1904. However, whether or not a personal motive may have been involved, Roosevelt was a strong proponent of curbing combinations and monopolies and Harriman was an obvious target. Amendments that strengthened the Interstate Commerce Act were passed in his administration, as well as more effective regulation of railroads. With the Northern Securities court decision fresh in the public mind, the ICC also reopened the Chicago and Alton stock watering issue and the commission described Harriman's stock transactions as "indefensible financing." One result of the investigation was the public disclosure of many of Harriman's financial manipulations and his use of the railroads he controlled for financial gain.

Harriman's testimony before the ICC revealed his overweening ambition and negatively reinforced the public's image of him as one of the leading "robber barons" of his day. He was pilloried in the press as the personification of all the wealthy businessmen who used unscrupulous methods to gain their fortunes. He reacted to this with a silence that most considered to be the height of arrogance. However, public perceptions did not deter him from his goal of controlling much of the transportation system in the United States. He owned a fleet of steamships that sailed to Asia, and he had an unfulfilled scheme for a line that would sail around the world. He also became involved in the running of banks and insurance companies. His interest in the latter industry brought another investigation of his activities, which revealed no obvious wrongdoing.

It was not only the pursuit of wealth that occupied Harriman. He used some of his money in philanthropic ways, funding such ventures as a club for boys of foreign parentage in New York. He also had great scientific interests that resulted in his cofunding, with the Smithsonian Institution, an 1889 expedition by ship to Alaska, where a fjord was named for him. Among the twenty-five scientists and naturalists on the expedition with Harriman were naturalists John Muir and John Burroughs. The ship journeyed for two months, traveling a total of nine thousand miles, with much valuable scientific research and a lengthy series of publications as the result of the voyage. Harriman also provided generous monetary assistance to victims of the San Francisco earthquake of 1906 and the flooding of the Colorado River in California's Imperial Valley.

Upon Harriman's death in 1909 at the age of sixty-one, his widow Mary and his three sons and three daughters survived him. One of his sons was William Averell Harriman, later to become famous as Averell Harriman. The younger Harriman had a distinguished career serving as an ambassador and negotiator under presidents from Franklin D. Roosevelt to Lyndon B. Johnson; he also served as governor of New York from 1954 to 1958.

Legacy

Although Edward H. Harriman was reviled toward the end of his life as an exemplar of the ills of capitalism, he was a genius in his own way. His grasp of details was masterful and he used this talent to control both people and events. He has been called the last great individualist, and if he was hated by many he also was admired by many, including those who knew him well. In the twenty-first century, he was still considered to have been one of the towering figures among nineteenth century industrialists. His charitable works continued to be appreciated in the enjoyment of the parks his money made possible. In 1913, his wife financed the E. H. Harriman Award for outstanding achievement in railroad safety, an award still presented in the twenty-first century.

—*Roy Liebman*

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See also: John Insley Blair; Jim Brady; William Andrews Clark; Jay Cooke; Charles Crocker; Daniel Drew; John W. Garrett; Jay Gould; James J. Hill; Mark Hopkins; Collis P. Huntington; Daniel Willis James; J. P. Morgan; George Mortimer Pullman; Russell Sage; Jacob Schiff; Leland Stanford; William Thaw; Cornelius Vanderbilt; William Henry Vanderbilt.

Hārūn al-Rashīd

Persian king

Hārūn al-Rashīd was the fifth ruler of the Muslim ʿAbbasīd Dynasty. He inherited great wealth and added to it during his reign, using his fortune to make Baghdad the intellectual and economic capital of the Middle East.

Born: February 763/766; Rayy, Persia (now in Iran)
Died: March 24, 809; probably Khorāsān (now in Iran)
Also known as: Hārūn al-Rashīd ibn Muḥammad al-Mahdi ibn al-Mansur-al ʿAbbasi; Hārūn ar-Rashīd; Aaron the Upright
Sources of wealth: Inheritance; conquest; trade
Bequeathal of wealth: Unknown

Early Life

Hārūn al-Rashīd (hah-RUHN al-rah-SHEED) was born into wealth. He became caliph (king) when he was in his early twenties. Although never conclusively proven, rumors at the time of his succession accused his mother, a Yemenite concubine, of poisoning other possible successors in order for Hārūn al-Rashīd to inherit the caliphate and its riches unopposed.

First Ventures

The ʿAbbasīd armies controlled much territory throughout the Middle East. Hārūn al-Rashīd acquired a reputation as a daring raider, who obtained wealth from captured Byzantine trade caravans, spreading this looted treasure throughout Anatolia to ensure loyalty among his subjects. His court and the other residents of the city of Baghdad quickly became famous for their luxurious lifestyles.

Mature Wealth

ʿAbbasīd rule reached its pinnacle during Hārūn al-Rashīd's reign (786-809). He provided stable governance that enabled his kingdom to expand its trade. As a

Representatives of Hārūn al-Rashīd present Charlemagne with extravagant gifts to impress him with the wealth and power of Hārūn's court. (F. R. Niglutsch) result, enormous amounts of money in tribute and tax receipts flowed into the ʿAbbasīd court in Baghdad. Hārūn al-Rashīd was also a patron of the arts and an intellectual. He surrounded himself with scholars, poets, architects, and engineers. He built an enormous palace to house the hundreds of servants and laborers necessary to run his court in the style he desired. He also liked to impress visitors with the wealth of his court. His table service included only gold and silver dining and serving pieces, many of them decorated with precious stones. Diplomatic relations and trade with China increased during his reign so that Chinese luxuries were common in Baghdad.

When Charlemagne crowned himself Holy Roman Emperor in 800, Hārūn al-Rashīd sent luxurious congratulatory gifts designed to dazzle the Carolingian court and impress it with the wealth and power of the ʿAbbasīd caliphate. In addition to sending an elephant and many Chinese silks, Hārūn al-Rashīd gave Charlemagne a water clock as an example of ʿAbbasīd engineering superiority; upon the hour, bronze balls dropped into a dish that turned a gear, opening a door on the face of the clock from which emerged figures of Arabian knights. Hārūn al-Rashīd's extravagant gifts made such an impression on Charlemagne and his court that descriptions of these presents were included in Charlemagne's official biography.

Each year, Hārūn al-Rashīd received seventy thousand gold pieces in tribute from Saint Irene, the Byzantine empress, in exchange for Hārūn al-Rashīd's promise not to sack the Byzantine capital at Constantinople. The annual reception of this tribute in Baghdad was a civic holiday and the cause of lavish entertainment for the Byzantine ambassador and troops who brought the tribute to the city. When the usurper Nicephorus I overthrew Irene, he demanded the return of the tribute money that the Byzantines had paid over the years. In response, Hārūn al-Rashīd led a large army into Byzantine territory. His army looted everything of value it could capture. Nicephorus falsely promised to restore the annual tribute payment. This falsehood caused Hārūn al-Rashīd to send his army on other looting expeditions through the wealthy heartland of Byzantine territory.

Legacy

Hārūn al-Rashīd improved both the political and economic conditions of his kingdom. He avoided unnecessary and costly military campaigns and obtained additional sources of court revenue. He died leaving a substantial surplus in the court treasury. *The Arabian Nights' Entertainments* (fifteenth century; also known as *The Thousand and One Nights*) is based on an idealized version of Hārūn al-Rashīd's life at court.

—*Victoria Erhart*

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See also: ʿAbbās the Great; Aga Khan I; Yaḥyā ibn Khālid al-Barmakī; Marduk-nāsir-apli.

JOHN HAWKWOOD

English mercenary soldier and landholder

Hawkwood from all accounts was the most successful of the foreign mercenaries, or condottieri, *who amassed great fortunes from payments for military service to the various rival governments in fourteenth century Italy. He used his earnings to purchase vast landholdings in Italy and England, accumulating an estate that rivaled, and in some cases exceeded, those of European royalty.*

Born: c. 1323; Sible Hedingham, Essex, England
Died: March 16 or 17, 1394; Florence (now in Italy)
Also known as: Giovanni Acuto; John the Sharp
Sources of wealth: Government; real estate; investments
Bequeathal of wealth: Spouse; children

EARLY LIFE

John Hawkwood was the second son of a well-to-do merchant in rural England. When his father died, Hawkwood left home and worked briefly as a tailor before joining the army of King Edward III. He fought with the English forces in France during the last stages of the Hundred Years' War; he was almost certainly involved in the fighting at the Battles of Crécy (1346) and Poitiers (1356). When peace was declared, Hawkwood joined a group of discharged English soldiers who chose to stay on the Continent and offer their services to the leaders of rival factions engaged in civil wars in Italy. Leaders of these mercenary bands came to be known as *condottieri* because they signed a *condotta*, or contract, to fight in the service of one or another of these factions for a specified period of time. Sometime before Hawkwood left England for good he married and had a daughter; she would eventually marry one of Hawkwood's lieutenants and inherit a portion of his English estate.

FIRST VENTURES

Hawkwood began his career as a soldier of fortune as a member of the group known as the Great Company, which first earned notoriety by traveling to Avignon to extort money from the pope, who was in exile there. As temporal ruler of the Papal States, a large section of central Italy, the pope was frequently engaged in disputes with other rulers of the various city-states in the north and the Kingdom of Naples in southern Italy. The pope hired the Great Company to fight against the Milanese, who were threatening his control over a portion of the Papal States. Hawkwood went with this force to Italy, where it soon came to be called the White Company. Initially he was a minor offi-

A monument to John Hawkwood, who is known here by his Italian name, Giovanni Acuto, or John the Sharp. (The Granger Collection, New York) cial in this force, but by 1364 he was commander of the company and in a position to negotiate contracts that would make him very wealthy.

Mature Wealth

From 1364 until his death, Hawkwood served as a soldier-for-hire. His first leadership position came in service to Pisa. Although his first campaign was not auspicious, within five years Hawkwood had earned a reputation as a loyal employee, a sound tactician, and a hard negotiator. Over the next two decades he was at times in the employ of both the pope and the city of Milan, in which the autocratic and bellicose ruler Bernabò Visconti eventually rewarded Hawkwood by allowing him to marry Visconti's illegitimate daughter Donnina. In 1379, while employed by Padua, Hawkwood achieved a great victory at Castagnola. During the 1380's he secured employment with Florence and remained on that city's payroll until he died.

Hawkwood was able to negotiate lucrative contracts for himself and the forces that served him because he mastered the art of war as it was practiced in the Middle Ages. In addition to assembling a competent fighting force and hiring trustworthy lieutenants, many of whom were English like himself, he developed a network of informants that kept him abreast of military and political affairs throughout the country. He was a shrewd tactician adept at battlefield maneuvers developed during England's fight against France. Skilled at preserving his forces, he was a master of feints, delay tactics, strategic retreats, and night movements. By the 1370's he was the most sought-after leader among the dozens of *condottieri* available to rulers wishing to extend their influence or defend their territory from rivals.

Because the Italians had difficulty pronouncing his English name, he became known by a dozen or more appellations, but one reflects something of his professional personality: "Giovanni Acuto," or John the Sharp, a title testifying to Hawkwood's military and political acumen. Hawkwood always considered himself an Englishman, and at times he served as an ambassador for the English kings in various negotiations with Italian and papal leaders.

Hawkwood was adept at negotiating with both sides in a conflict, driving up the bidding for his services. He was not above resorting to veiled threats of retaliation if his financial demands were not met. Although he had initially earned a reputation for loyalty by refusing to desert Pisa in favor of a more lucrative proposition from a rival city, throughout his career Hawkwood showed a willingness to accept offers based on the size of the payment rather than the justness of an employer's cause. Like most mercenary commanders of his day, he accepted personal payments outside the terms of the contract—

Mercenaries, Pirates, and Soldiers of Fortune

John Hawkwood and his fellow *condottieri* were not the only fortune-seekers who chose warfare or brigandage as the path to riches. Classical accounts abound with tales of mercenaries fighting for the Greek city-states and the Roman Empire. In the later Middle Ages, mercenaries were often the preferred solution for cities and even empires intent on waging war. Only a handful of soldiers for hire were as fortunate as Hawkwood's contemporary, Werner von Urslingen, who earned enough money to purchase great estates in his native Germany and retire there after years of fighting in Italy.

While the number of independent companies of soldiers dwindled during the Renaissance, the practice of governments hiring mercenaries persisted well into the nineteenth century, although most who signed on did not gain the riches they sought and many died in penury and debt. Mercenaries were active throughout the twentieth century, particularly in Africa and Latin America. A more sophisticated form of mercenary activity developed in the United States, where private firms like Blackwater Worldwide received contracts from the government for more than $1 billion, adding to the fortune of the company's chief executive Erik Prince.

On the high seas, pirates formed their own societies aimed at earning wealth through plunder, and a number of their captains amassed notable fortunes. The seventeenth century pirate Jan Janszoon van Haarlem, known as Murad Reis, parlayed his service to the Ottoman Empire into a lucrative position as head of the Republic of Salé (now in Morocco), from which he directed a thriving pirate trade. Both Edward Teach, the notorious Blackbeard, and the Louisiana pirate Jean Lafitte accumulated significant wealth, although both lost their holdings to government bounty hunters. One of the most lucrative ways sailing captains could amass great fortunes during the seventeenth and eighteenth centuries was through privateering; commissions from various governments gave them authority to seize ships of rival nations and keep a large portion of the cargo for themselves, and several privateers retired as wealthy gentlemen. In the twenty-first century, the lure of quick riches has led many poor Somalis to take up piracy in the Indian Ocean, seizing ships for which corporations have shown a willingness to pay millions in ransom money.

what would later be termed bribes—to commit his forces. Typical of this kind of negotiating tactic was Hawkwood's effort in 1375. He extracted a payment of 130,000 florins to withhold his forces from attacking Florence, then obtained a payment of 30,500 florins from Pisa for the same reason, identical payments from Lucca and Siena for the same guarantee, and similar payments from Pisa, Bologna, and Naples. While some of this money went to his troops, Hawkwood certainly pocketed a notable percentage of these settlements. Hawkwood also learned early in his career the value of intimidation, and he parlayed his reputation as a successful commander into substantial annual retainer fees. By the time he sold his services to Florence, he was already collecting "pensions" from a number of cities, including Lucca, Naples, and Milan. These annual payments were actually a form of extortion paid by city officials to guarantee either that Hawkwood would lead their forces or that he would refrain from attacking their cities if he were not in their employ.

Most frequently Hawkwood was paid in cash, usually gold florins, the most widely used currency of the day. During the thirty years he served as a captain of forces, his earnings ranged between 6,000 and more than 80,000 florins annually. By comparison, the annual earnings for the chief executive of Florence were approximately 100 florins per year, and for a skilled craftsman were about 30 florins. Hawkwood supplemented this income with bribes and with ransoms collected for prisoners taken during military operations. From time to time he was awarded entire towns as part of his pay, so he was able to generate additional revenues from taxes and fees paid by the towns' citizens.

Hawkwood invested a large portion of his money in land. During his career he accumulated estates throughout Italy, chiefly in Lombardy, Romagna, Umbria, Pavia, Naples, and Tuscany. For years he made a practice of purchasing property in England near his boyhood home in Essex. He was also involved as an investor in Venice and Florence, putting some of his money to work in financing public debt. In his later years Hawkwood began making provisions for the children he had with Donnina. He convinced Florentine officials to provide generous dowries for his three daughters and to allow his son to inherit his Italian property.

Legacy

Hawkwood did not make a will before he died, so it is exceedingly difficult to estimate the value of his estate. In the years before his death he began liquidating his holdings in Italy, ostensibly so he could return to England with his fortune. After Hawkwood's death his widow, Donnina, made an attempt to claim his English holdings, but she met with little success. With the help of the Crown, however, his son John was able to establish his claims to Hawkwood's English landholdings and eventually took over sizable manors and other properties.

Although the era of the *condottieri* came to an end soon after Hawkwood's death, his legacy as a soldier of fortune is easier to document. He was celebrated in Florence after his death as one of the city's greatest champions, and his career is chronicled by a number of late medieval and Renaissance historians. Additionally, his exploits have served as the basis for a number of novels.

—*Laurence W. Mazzeno*

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See also: Samuel Bellamy; Elias Hasket Derby; Francis Drake; Israel Thorndike.

George Hearst

American mining magnate and politician

Hearst made his fortune by prospecting the California gold mines. His acquisition of the San Francisco Examiner *would eventually enable his son, William Randolph Hearst, to become one of the most powerful newspaper publishers of the twentieth century.*

Born: September 3, 1820; Franklin County, Missouri
Died: February 28, 1891; Washington, D.C.
Source of wealth: Mining
Bequeathal of wealth: Spouse; children

Early Life

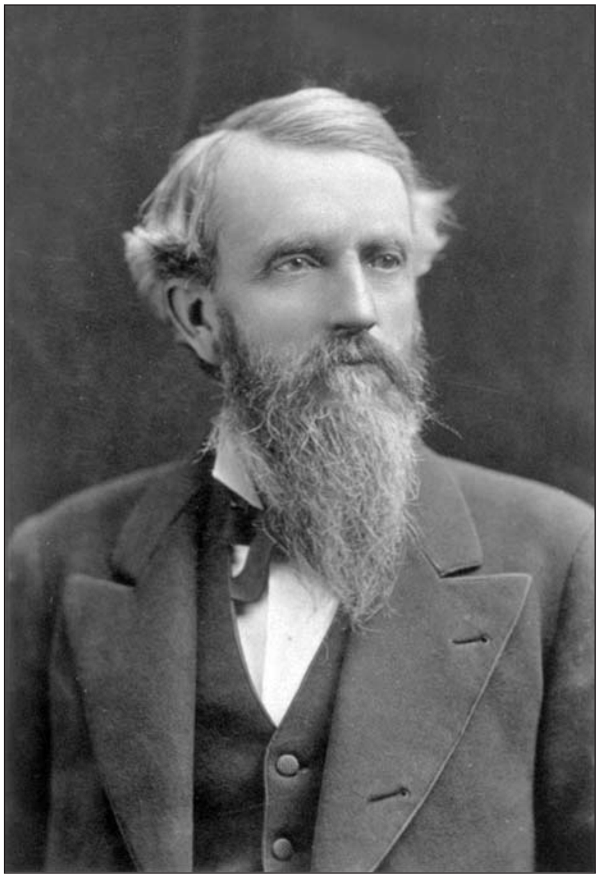
George Hearst, the son of William G. and Elizabeth Collins Hearst, was born on September 3, 1820, on his parents' farm near Sullivan, Missouri. He was the oldest of three children. Starting at an early age, Hearst worked on the family farm. He had little public education but was schooled by his mother. He enjoyed reading books about mining that he borrowed from the family doctor, Silas Reed, who was also a lead miner.

In 1846, when Hearst was twenty-six, his father died, leaving the family $10,000 in debt. Hearst opened a small general store and leased and mined lead and copper mines. Within two years he had earned enough money to pay off his father's creditors.

First Ventures

Hearst first heard about gold in California in 1849, and in 1850 he set out for California with sixteen other men, including his cousins Joseph and Jacob Clark. At first, the group tried placer mining near Sutter's Mill, but after a cold winter with little to show for their efforts they moved on to Grass Valley, California. Here Hearst established the Merrimac Hill and the Potosi Mines, which he sold in 1852 for a healthy profit. Hearst and his cousins continued to discover ore lodes and then sell them, continuously making profits.

In 1857, Hearst discovered and established the LeCompton Mine near Nevada City, California. Two years later, he moved on to the Washoe Diggings in Nevada, where he bought a share of the Gold and Curry Mine for $450. He continued to prospect silver and gold and bought a one-sixth share of the Ophir Mine for about



George Hearst. (Courtesy, The Bancroft Library, University of California, Berkeley)

$300. He solved the problem of how to separate gold and silver from the ore in these mines. News of his success spread and miners flocked to the area, which was to become known as the Comstock Lode. Almost overnight, Hearst was a millionaire.

Mature Wealth

Hearst established Hearst, Haggin, Tevis & Co., and this firm eventually owned interests in mines in Nevada, Utah, South Dakota, Montana, and Peru. His Ontario Mine in Utah alone paid dividends of more than $1 million a year. His firm became the largest mining company in the United States. Although he had become one of the wealthiest men in America, Hearst still dressed in casual clothing and enjoyed his poker games, liquor, and cigars.

In 1860, when he was forty years old, Hearst returned to Missouri to be with his dying mother. There he met nineteen-year-old Phoebe Elizabeth Apperson. Her parents objected to Hearst because of his age, so the two eloped on June 15, 1862, and they moved to San Francisco, California. They had one son, William Randolph Hearst, born on April 29, 1863.

Hearst was elected to and served in the California Assembly from 1865 to 1866. He purchased a forty-eight-thousand-acre ranch in San Simeon, California, and built a home there for his family. In 1887, Hearst was elected to the U.S. Senate and moved to Washington, D.C. He died on February 28, 1891, while still serving his Senate term.

Legacy

George Hearst had a major influence on mining in the United States. His Homestake Gold Mine in South Dakota became the most productive gold mine in the United States, and his Montana Anaconda Copper Mine produced 20 percent of the world's copper supply by the turn of the century.

Perhaps his greatest legacy, however, arose from his acquisition of the *San Francisco Examiner* as payment for a gambling debt in 1880. In 1887, his son William Randolph Hearst, who had an interest in journalism, asked his father if he could run the newspaper. George Hearst agreed, with trepidation. His son eventually developed the Hearst publishing empire that had enormous influence on American politics and existed into the twenty-first century, owning newspapers, magazines, and cable television networks. In 2008, the media empire was run by George Hearst, Jr., George Hearst's great-grandson, who was ranked 215 on *Forbes* magazine list of the four hundred richest Americans, with an estimated net worth of $2.1 billion.

—*Polly D. Steenhagen*

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See also: William Andrews Clark; Marcus Daly; James G. Fair; James Clair Flood; Meyer Guggenheim; Phoebe Apperson Hearst; William Randolph Hearst; F. Augustus Heinze; John William Mackay; William S. O'Brien.

Phoebe Apperson Hearst

American socialite and philanthropist

Upon the death of her husband George Hearst, Phoebe Apperson Hearst took control of his fortune, becoming a strong businesswoman and generous benefactor of cultural and educational pursuits. She endowed the University of California with scholarships for women, buildings, and research funds.

Born: December 3, 1842; Franklin County, Missouri
Died: April 13, 1919; Pleasanton, California
Also known as: Phoebe Elizabeth Apperson Hearst; Phoebe Elizabeth Apperson (birth name)
Source of wealth: Marriage
Bequeathal of wealth: Children; charity; educational institution

Early Life

Phoebe Apperson Hearst was born Phoebe Elizabeth Apperson on December 3, 1842, in Franklin County, Missouri. She was the third child of Randolph and Drusilla Apperson. While living in Franklin County, the middle-class Apperson family had become friends with the Hearst family and named Phoebe after Elizabeth Hearst, who would eventually become Phoebe's mother-in-law. Phoebe was a quiet child who socialized mainly with her own family and the Hearsts. Well educated, she became a schoolteacher at a young age.

At seventeen, she fell in love with George Hearst, who had left the family home to make his fortune and returned to care for his dying mother. Hearst was twenty-two years older than Phoebe, and her parents were not happy with their daughter's choice, so the couple eloped on June 15, 1862, when Phoebe was nineteen. They moved to San Francisco, California, where a year later, on April 29, 1863, William Randolph Hearst, their only child, was born.

First Ventures

Phoebe Hearst began her cultural leadership in the early years of her marriage, as husband George worked on creating his place in the business world through mining ventures. George earned the family's wealth through investments in mines throughout the United States and Peru, including silver mining in the Comstock Lode in Nevada and gold mining in the Homestake Mine in South Dakota. While her husband built their wealth, one of Phoebe's first projects was a trip to Europe with her young son. While touring Europe, Phoebe began a lifelong appreciation of the arts, which would later influence the direction of her philanthropy. Upon returning home, she took her place as a leading socialite in San Francisco, throwing generous parties and donating to a number of charities.

On March 4, 1887, George Hearst began his national political career as a U.S. senator, and the family relocated to Washington, D.C. During her years in the nation's capital, Phoebe was involved in many philanthropic activities, including the building of the Washington National Cathedral and financing the Washington Cathedral School for girls. She was also involved in the implementation of free kindergarten programs for all children and in founding the Congress for Mothers, which later became the National Parent Teacher Association. Her work continued until George's unexpected death on February 28, 1891. When George Hearst died, he left a fortune approximated at $20 million.


Phoebe Apperson Hearst. (The Granger Collection, New York)

Phoebe A. Hearst Museum of Anthropology

Phoebe Apperson Hearst in 1901 endowed the University of California, Berkeley, with the money to create the Lowie Museum of Anthropology, now known as the Phoebe A. Hearst Museum of Anthropology. Hearst's goal in creating the museum was to share archaeological and ethnological studies as the department of anthropology developed at the university. Under Hearst's funding, the museum's collection amassed more than a quarter million objects collected by archaeologists, such as Max Uhle and George Reisner.

The museum was located in San Francisco from 1903 until 1931 and opened to the public in 1911. In 1931, its collection was moved to a building on the campus of the University of California, Berkeley, where it remained until 1959, when it was moved to the campus's Kroeber Hall. Frederic Ward Putnam was the museum's first director, serving in this position until 1909. Alfred Kroeber, a prominent anthropologist, became the second director, leading the museum from 1909 until 1947. The museum is accredited by the American Association of Museums.

The facility, which endorses education and research about history and cultural diversity, is home to an extensive collection of artifacts from around the world. The collection contains approximately 3.8 million artifacts, as well as field research, pictorial records, and visual and audio recordings. Important collections include Native American, African, Peruvian, Egyptian, Asian, and Oceanic objects.

The California collection is the largest; it contains information and artifacts collected by Kroeber and Philip M. Jones, among other anthropologists and archaeologists who worked closely with Hearst herself. Much of the early collection was gathered, cataloged, and organized by the university's first doctoral student in anthropology, Samuel A. Barrett, along with other faculty and students. The California collection also contains a number of items assembled by Ishi, who is known as the last Yahi Indian and who actually lived at the museum during the last years of his life. The museum also houses an extensive archive of field notes from archaeologists and anthropologists dating from 1900.

The museum's name was changed in 1991 to honor its founder, Phoebe Apperson Hearst. The Robert H. Lowie Gallery commemorates the professor for whom the museum was originally named.

Mature Wealth

Becoming a widow at forty-eight years of age, Phoebe would learn to control her family's wealth. She moved back to California and fell ill from the pressures of handling all of the operations George had controlled. Once she recovered her health, she returned to her former interests in art and education. In 1891, she established a scholarship for female students at the University of California, Berkeley; this led to additional gifts to the university, totaling an estimated $1.5 million. On October 22, 1896, she told the university regents that she would fund a contest to select an architectural design for the campus. She later paid for the Hearst Mining Building, honoring her late husband. She would also become one of the first women regents, serving from 1897 until 1919.

Hearst's personal expenses in the last part of the nineteenth century included the remodeling and design of George's hunting lodge in Pleasanton, California. She hired the architect Julia Morgan in 1891 to rebuild the estate into a large hacienda. She moved into the home in 1899. The residence was an art showcase in its design and contents. Here, Hearst would continue to promote cultural events as she hosted entertainment performances in the music room.

In 1895, Hearst suffered a heart attack and was treated by William Pepper, who was also provost of the University of Pennsylvania and head of the university's archaeology museum. This relationship started her interest in archaeology, anthropology, and ethnology. Through this newfound pursuit, Hearst met and studied with prominent people in these fields, such as Frank Hamilton Cushing, Philip M. Jones, Alfred Kroeber, and George Reisner. She first encouraged and supported the study of Native American artifacts in Florida and California, and she especially promoted collections of basketry and textiles. Later, as a result of having toured Egypt in 1899 with her son, she became fascinated with ancient Egyptian culture. She even traveled to Egypt to observe and participate in an archaeological dig under Reisner's leadership in 1905.

In 1906, she spent time with her family. She traveled to Europe to further her study of art and architecture, this time with her niece Anne Drusilla Apperson. She was in Europe during the earthquake that devastated much of San Francisco, including her son's publishing building, which she would later rebuild. This same year brought the birth of her first grandchild, George.

In 1912, Hearst's attention to women's needs directed her to volunteer her home for a benefit to raise money for the Young Women's Christian Association (YWCA). She not only allowed the association to host a camp on her property but also provided the tents, furniture, and sanitary systems necessary to run the camp. She also promoted small businesses by ordering all of the camp's provisions from local vendors. Her participation in this YWCA project was a result of her strong interest in promoting the healthful benefits of exercise for women.

As Hearst aged, her interests in women's topics became stronger. Although she did not support suffrage in its early stages, she had begun to see the reasoning behind it in relation to a woman's political power, especially after she took over the handling of her family fortune. As always, her first priority was motherhood, so when political issues in California began affecting women and children in negative ways, she became a supporter of women's equality, aiding in the campaign to gain women the right to vote in California a number of years before the national right was granted to women.

World fairs were a place to air topics of interest to many groups, and Hearst's pet subjects of women's roles in the home and work world were often showcased in this venue. In an effort to continue to promote women's involvement in cultural events, Hearst petitioned Congress to select San Francisco as the location for the Panama Pacific International Exposition of 1915. She used her role as honorary president of the women's board for this exposition to create a showcase of women's progress in education, culture, and service.

Hearst traveled to New York in 1919. While there, the seventy-six-year-old woman contracted the Spanish influenza during the epidemic of 1918 to 1919. She died in Pleasanton, California, on April 12, 1919.

Legacy

Phoebe Apperson Hearst's legacy can be seen in many ways. She left her wealth to her son, grandsons, niece, and various charitable organizations. She had spent her life promoting culture and education, and took a strong role in women's rights issues late in her life. Her interest in family led to her advancement of causes that would promote the well-being of women and children, including the YWCA and women's suffrage. Her interest in women's intelligence can be seen in the endowments she provided to the University of California, Berkeley; in her hiring and promotion of women professionals; in her founding programs, such as the Congress for Mothers; and in her participation in and financial support of charities, such as the Girl's Training Home in San Francisco, the California Society for Prevention of Cruelty to Children, a free kindergarten program in Washington, D.C., and the Hearst Free Library. She also founded the Lowie Museum of Anthropology at the University of California, which was renamed in her honor in 1991.

—Theresa Stowell

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See also: Brooke Astor; Vincent Astor; Angela Burdett-Coutts; Doris Duke; George Hearst; William Randolph Hearst; Joan Kroc; John D. Rockefeller III; Laura Spelman Rockefeller; Jane Stanford; Eleanor Elkins Widener.

William Randolph Hearst

American newspaper publisher and media magnate

Inheriting a fortune from his father, Senator George Hearst, as well as additional wealth from his mother, William Randolph Hearst created a media empire, a chain of nationwide newspapers credited with influencing major public events, political movements, and cultural attitudes of readers of the so-called yellow press—media that sensationalized and exploited public interest in war, crime, and scandal.

Born: April 29, 1863; San Francisco, California
Died: August 14, 1951; Beverly Hills, California
Sources of wealth: Inheritance; media
Bequeathal of wealth: Spouse; children; charity; educational institution

Early Life

William Randolph Hearst grew up in California, the son of a self-made millionaire, George Hearst, who became a United States senator. The son quickly absorbed and perpetuated his father's populist politics. In 1887, after a brief period of study at Harvard University, Hearst prevailed on his father to allow him to run the *San Francisco Examiner*, a newspaper George Hearst had been unable to transform into a profit-making business. To the astonishment of his father and almost everyone else, the young Hearst built up the newspaper's circulation and eventually its profits.

Hearst's achievement set a pattern for his later behavior as an entrepreneur and media mogul. He spent lavishly on the latest printing equipment and hired the best reporters at high salaries, but he also devoted countless hours to hands-on editing of his newspapers. Hearst thought of himself as an editor first, a newspaper proprietor second. He also saw no contradiction between providing the public with sensational stories and championing causes that would improve the lives of millions of Americans. He used his wealth, in other words, not only for his own pleasure but also for the opportunity to make a difference in the lives of ordinary Americans.

William Randolph Hearst. (Library of Congress)

First Ventures

In 1896, Hearst decided to expand his business by acquiring the debt-ridden *New York Journal*. In order to do so, he had to secure the financial help of his mother, Phoebe, because the terms of his father's will (George Hearst died in 1891) did not allow his son free access to the family fortune. Although Phoebe would fret throughout her life about her son's extravagant investments in newspapers, she continued to support him, at one point guaranteeing him a $5 million line of credit.

Again, to everyone's surprise, Hearst was able to compete in New York City's crowded newspaper market. He had the daunting task of outperforming the *New York Sun*, then under the outstanding editorship of Charles Henry Dana, and the *New York World*, owned by Joseph Pulitzer, the giant among New York media moguls. In order to prevail, Hearst had to countenance hundreds of thousands of dollars of losses in his newspaper's first years of operation. However, by cutting the price of the *Journal* from two cents to one cent and hiring away virtually the entire staff of the *New York World*, Hearst proved that he could use his wealth in shrewd ways that appealed to the public's imagination. *The Journal* eventually turned a profit, and it became the base of Hearst's media empire.

Mature Wealth

The high point of Hearst's achievement as journalist and newspaper proprietor was his reporting of the Spanish-

American War. Hearst not only was on the ground filing his own dispatches from Cuba but also was hiring outstanding journalists like Stephen Crane and Richard Harding Davis to serve as war correspondents. Because of his flamboyant style, many early biographers and historians have actually given him too much credit for fomenting the events that led to the war that aggrandized his image and his media empire. Later historians have discounted the idea that Hearst had a decisive role in maneuvering the U.S. government to declare war on Spain, but he certainly spent lavishly to produce up-to-the-minute reports on military action and political developments, setting the pace for the other New York dailies.

Beginning in 1896, Hearst began to expand his publishing empire, initially buying a Chicago newspaper as a means of supporting William Jennings Bryan, the Democratic candidate for president. Hearst was the only important East Coast newspaper proprietor to support the populist Bryan, who lost the election, while Hearst enhanced his reputation as a man of the people, getting elected to two terms in Congress.

After acquiring his Chicago newspaper, Hearst expanded to other cities, including Los Angeles, Boston, Atlanta, Detroit, and Seattle. Hearst newspapers were often called part of the "yellow press" or tabloids that sensationalized the news and sometimes verged on making it up or at least exaggerating stories to sell newspapers. Headlines in Hearst newspapers could be quite misleading, even if they had a factual basis.

By the mid-1920's Hearst owned twenty-eight newspapers, as well as magazines, including *Cosmopolitan*, *Harper's Bazaar*, and *Good Housekeeping*. These publications hired the best writers, and though Hearst maintained a progressive and populist line, he welcomed writers of various persuasions to write both fiction and nonfiction. Similarly, he expanded his media interests by purchasing radio stations and investing in the motion picture industry, forming his own company, Cosmopolitan Pictures.

As a profitable media mogul, Hearst hit his peak in 1928. Thereafter his empire began to disintegrate, suffering losses during the Great Depression that began to engulf the country after the stock market crash of 1929. That Hearst's empire did not crumble is due to profits from the mining enterprises he had inherited from his father and mother (Phoebe died in 1919).

In 1937, the Hearst Corporation was forced into a court-ordered reorganization. Hearst's own private fortune remained intact, but he was no longer in the same powerful position as a media proprietor who could influence public opinion. His increasingly conservative political views also put him at odds with the majority of Americans, who generally supported the liberal administration of President Franklin D. Roosevelt. Hearst had to liquidate several of his newspapers, shut down his

Hearst Castle

In 1919, William Randolph Hearst began work on what came to be known as Hearst Castle. He had parts of the castles and palaces of Europe dismantled and shipped at enormous cost to his ranch in San Simeon, California. Over the next thirty years he acquired a spectacular collection not only of artwork but also of entire rooms of furniture and furnishings. The castle had fifty-six bedrooms and sixty-one bathrooms, indoor and outdoor swimming pools (one modeled after a Roman temple), a 1920's-style motion picture theater, an airfield, and a private zoo.

In the 1920's and 1930's, Hearst and his mistress, Marion Davies, hosted a succession of famous guests, including Charlie Chaplin, Charles Lindbergh, the Marx Brothers, Franklin D. Roosevelt, and Winston Churchill. The lavish entertainment and the grounds became so well-known that director Orson Welles felt compelled to include a version of them in the Xanadu estate depicted in his film *Citizen Kane*.

In the late 1930's, as Hearst's media empire began to shrink, he had less readily available income to lavish on his collection of Greek vases, oriental carpets, European sculpture and painting, and the building and furnishing of his "castle." Most acquisitions ceased in 1942, although Hearst continued to maintain the grounds and buildings and to use the property as one of his domiciles.

In 1957, the Hearst Corporation, no longer able to maintain Hearst's extravagant domain, sold the property to the state of California for a nominal sum, stipulating only that family members would still be able to use it when they wished. On June 22, 1972, Hearst Castle was placed on the National Register of Historic Places, and it became a U.S. National Historic Landmark on May 11, 1976.

Hearst Castle has proven to be a very popular destination for tourists and tour companies. Enough of Hearst's original establishment remains to provide a good insight into his grandiose ambition to create a world of wealth sufficient to itself. The grounds include six residences with a total of more than ninety thousand square feet, including fifty-six bedrooms, nineteen sitting rooms, forty-one fireplaces, and sixty-one bathrooms.

filmmaking company, and even sell some of his prized works of art that were part of his palatial residence in San Simeon, California, popularly known as Hearst Castle.

The advent of World War II helped the Hearst empire recover from some of its losses, but Hearst's own personal popularity and influence continued to decline—in part, because of negative press and the publication of biographies castigating his cutthroat methods and extravagance. Certainly, the release of director Orson Welles's film masterpiece, *Citizen Kane* (1941), drew heavily on Hearst's biography and portrayed a charming but isolated and tyrannical man who had grown increasingly out of touch with the very public he had initially sworn to serve and entertain.

When Hearst died of a heart attack in 1951 at the age of eighty-eight, he had become the personification of the reckless capitalist, using his enormous wealth to trick the public, start wars, and promote his pet causes. Thus he had lowered the standards of journalism and of public discourse about politics. He became, in effect, a kind of object lesson of a wealthy man whose good intentions had gone awry. Even his avid collection of artworks became merely part of the myth of a selfish man hoarding the world's treasures and brooding over his rejection by a public that he had wooed but that had ultimately scorned him.

Legacy

The legacy of William Randolph Hearst is far more complex than the myth of his triumph and eventual defeat. While it is undeniable that Hearst newspapers did sensationalize the news and engaged in fierce competition, it is also true that he was a great media innovator, insisting on the best equipment and, in many instances, on writers that actually raised journalism to a higher standard. His entry into the newspaper world of New York City, for example, forced his competition to produce better work and to cover news with a renewed fervor and commitment. Hearst drove his journalists relentlessly, but in the process he pioneered a new on-the-scene reporting in Cuba, for example, that led to many breakthroughs in investigative journalism. The charge that Hearst used his enormous wealth merely for invidious purposes is clearly not true, although his growing conservatism did result in rather scurrilous political columns in some of his newspapers. Many men of Hearst's generation used their wealth for far worse purposes. However, and although he certainly outspent most of his rivals, Hearst did not succeed by money alone. He had a wit, spontaneity, and shrewdness that money cannot buy. He discovered and promoted great talent. At his best, he gave the public a voice that had rarely been heard in the media before his time.

—*Carl Rollyson*

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See also: Walter Annenberg; Barbara Cox Anthony; Lord Beaverbrook; James Gordon Bennett, Jr.; Anne Cox Chambers; Cyrus H. K. Curtis; Katharine Graham; George Hearst; Phoebe Apperson Hearst; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; Joseph Pulitzer.

F. Augustus Heinze

American miner, banker, and speculator

Heinze used his wealth from cooper mining to become a banker and broker. The failure of his speculations helped bring on the economic Panic of 1907.

Born: 1869; Brooklyn, New York
Died: November 4, 1914; Saratoga, New York
Also known as: Fritz Augustus Heinze; Frederick Augustus Heinze
Sources of wealth: Mining; banking; investments
Bequeathal of wealth: Children

Early Life

F. Augustus Heinze (aw-GUST-uhs HIN-zuh) grew up in New York City. He graduated from the Columbia University School of Mines in 1889 with an engineer of mines degree. Heinze worked as a mining engineer in Butte, Montana, and later took advanced courses in geology and mining at the University of Freiberg, Germany.

First Ventures

In 1892, Heinze formed the Montana Ore Purchasing Company, which constructed an efficient smelter in Butte. He purchased and leased mines that previous owners believed were exhausted, demonstrating his geological skills by finding rich new ore deposits.

The Boston and Montana Mining Company sued Heinze in 1896, seeking an injunction to prevent him from extracting copper from a mine the company had sold him. The suit was based on the apex law, which stipulated that whoever owned the highest point of an ore bed owned the entire bed, even where it extended into another mine. Heinze countersued, filing similar claims against his opponent's mines. When Standard Oil Company officers formed the Amalgamated Copper Mining Corporation in 1898, they bought Boston and Montana, inheriting the legal battle.

Heinze proved as tough and unscrupulous a competitor as his Standard Oil rivals. He filed multiple lawsuits, winning most of them. Miners battled competing miners underground, using water hoses and occasionally dynamite to extract ore. When Amalgamated strong-armed the Montana legislature into passing a law that gave the company the right to choose judges, Heinze realized he had lost and sold his Butte holdings in 1906 for $12 million (about $250 million in 2010 dollars), twenty-four times Amalgamated's original offer.

Mature Wealth

Heinze operated his remaining mines as the United Copper Company, organized in 1902 with a nominal capital of $80 million. He moved to New York City, where he purchased control of the Mercantile National Bank, becoming its president. He also speculated on Wall Street.

Heinze's swashbuckling career as a Wall Street operator was brief and disastrous, both for him and for the national financial system. In October, 1907, Heinze joined with other speculators to establish a monopoly on United Copper stock. He and his partners bought every share offered for purchase on the stock exchange, pushing the price up in order to force speculators, who sold stock they did not own expecting the price to fall, to buy back stock at higher prices. The stock price rose to unheard-of heights, and speculators were desperate as they faced massive losses. However to the surprise of Heinze and his partners, high prices brought a flood of stocks to market, sending the price down precipitously. Instead of reaping profits, the partners lost heavily. News that the monopoly had collapsed led depositors to withdraw funds from Heinze's bank. He appealed to the New York Bank Clearing House for aid, but he was told his bank would get no help unless he resigned as president. Heinze's biographer believes the whole affair was manipulated by Standard Oil officials in order to punish Heinze.

Legacy

Heinze lost most of his wealth in the stock market fiasco and the subsequent flurry of lawsuits. When he died of cirrhosis of the liver at age forty-four, he left his son a $1.5 million estate.

The consequences of Heinze's disaster did not stop with his bank but spread like a contagion over the entire United States banking system, revealing its instability. News of the trouble at Heinze's bank started runs at other banks, resulting in the bankruptcy of New York City's largest trust company. This bankruptcy frightened bankers across the country, leading them to withdraw their deposits from the city's banks. Only a forceful intervention by financier J. P. Morgan drew bankers together in order to pool funds and prevent collapse of the nation's banking system during the Panic of 1907. Demands for reform following the crisis led to enactment of the Federal Reserve Act six years later, a legacy Heinze never intended.

—Milton Berman

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LEONA HELMSLEY

American real estate and hotel mogul

Leona Helmsley and her billionaire husband Harry Helmsley owned a chain of luxury hotels and much prime New York real estate. The couple were convicted of tax evasion and Leona was nicknamed the Queen of Mean. However, the Helmsleys used their wealth to fund a charitable trust worth billions of dollars for the benefit of medical institutions and other worthy causes.

Born: July 4, 1920; Marbletown, New York
Died: August 20, 2007; Greenwich, Connecticut
Also known as: Lena Mindy Rosenthal (birth name); Leona Mindy Roberts; the Queen of Mean; Leona Panzirer; Leona Lubin
Source of wealth: Real estate
Bequeathal of wealth: Relatives; her dog; charity

EARLY LIFE

Leona Helmsley (lee-OH-na HEHLMZ-lee) was born Lena Mindy Rosenthal in 1920 to Morris and Ida Rosenthal, lower-middle-class Jewish immigrants from Poland who resided in suburban Marbletown, New York. Her father was a manufacturer of hats. Lena was the youngest of three girls; her only brother, to whom she was close, was the youngest child. After her father fell on hard economic times the family moved frequently, first to Brooklyn and then to Manhattan. In time she and her ailing brother grew closer as she and her sisters grew apart. Reputed to be a beauty in her younger years, and determined to make her mark, Lena dropped out of either high school or college (some of the facts of her early life cannot be substantiated) and soon changed her name to Leona Mindy Roberts.

During this time, Roberts claimed she had already had a successful career as an advertising model for a cigarette company. She married attorney Leo Panzirer, with whom she had her only child, Jay, before the couple divorced. She then wed garment industry executive Joseph Lubin, to whom she was married and divorced twice.

FIRST VENTURES

Roberts was hired by a New York real estate firm as a secretary and worked her way up to senior vice president, specializing in the sale of upscale Manhattan cooperatives and condominiums. She was very successful and became a millionaire in her own right. It was at this time that Roberts got into her first legal problems after being sued by tenants of one of the buildings in which she sold apartments. After the judgment went against her, she was forced to compensate the tenants for damages and her real estate license was temporarily suspended.

About 1969 or 1970, Roberts went to work for one of the companies of Bronx-born real estate tycoon Harry Helmsley (1909-1997). Among other properties, Harry owned the legendary Empire State Building and many luxury hotels. He divorced his wife of more than thirty years not long after meeting the dynamic Leona. She not only became Harry's wife but also evolved into a full business partner, who was to proffer much sound advice about his real estate transactions, particularly the hotel holdings, of which she was made the president.

MATURE WEALTH

Leona's 1972 marriage to Harry began her own rise to fabled wealth and to years of increasingly strident controversy. While the retiring Harry was content to stay behind the scenes, the extroverted Leona was widely featured in advertising as the "queen" of the Helmsley hotel chain, particularly the flagship Helmsley Palace in Manhattan, described in advertisements as "the only palace where the queen stands guard." These ads emphasized the luxurious nature of the accommodations and her attention to the most minute of details. Helmsley claimed she knew when a lightbulb had burned out, and she said she read and responded to every guest evaluation card personally. Given her preferred management—or, more accurately, micromanagement—style, those statements almost bore the ring of truth. Behind her regally smiling public persona, however, lay a hard-charging woman referred to by downtrodden employees as the Queen of Mean, among other soubriquets.

Helmsley became infamous for her instant rages and spewing of obscenities over trifles, as well as the lengthy list of employees she had dismissed, ranging from top executives to maids. The turnover among her staff was tremendous. She even claimed that she and Harry had been stabbed in their bed, probably by a disgruntled former employee, although this was never verified. Helmsley was sued by some of her former employees, including a man claiming he was terminated because of his homosexuality.

She and Harry resided in Dunellen, their twenty-eight-room estate in Greenwich, Connecticut, and in a lavish New York penthouse. They owned a private jet that was reputed to seat one hundred passengers. Estimated to be worth more than $1 billion, the couple was much seen at New York high-society functions. They also contributed heavily to medical causes, including hospitals, and various charities. However, Helmsley's seemingly charmed life was soon to change.

In 1982, her only child, Jay, died in his early forties, and she garnered unfavorable headlines when she had her daughter-in-law and eldest grandson forcibly removed from the Panzirers' Florida home. The Helmsleys also sued for the proceeds of her son's modest estate.

In 1988, Harry and Leona Helmsley were indicted for evading $4 million in state and federal taxes over a three-year period earlier in the decade. Two of their top employees were also charged with criminal conduct. After many delays due to motions from her lawyers, Leona's case came to trial in 1989, and she was convicted of thirty-three felony counts, including tax evasion and filing false returns. Harry, by then almost eighty years of age, was also convicted of tax evasion but was adjudged mentally incompetent to stand trial. During Leona's trial, much evidence was provided about her personal foibles. Probably the most damaging statement was made by a former housekeeper, who quoted her as saying, "We don't pay taxes; only the little people pay taxes." Even Leona's own lawyer referred to her as abrasive, demanding, and "a tough bitch" but hastened to add that these characteristics did not make her guilty as charged. More than forty people, mostly former employees, testified against her. The judge, perhaps improperly, said she had acted with "naked greed."

It was ultimately proven that Leona had charged personal expenses ranging from nail care to a multimillion-dollar renovation of her Connecticut estate to business accounts. The renovation had instigated the Helmsleys' legal problems. After a dispute with some of their contractors over payments, the couple was sued, and as a result of these proceedings, their tax evasion was discovered. Initially sentenced to sixteen years in prison, Helmsley had her sentence reduced on appeal to four

Leona Helmsley leaves court after an appearance during her trial on charges of tax evasion. (AP/Wide World Photos) years at a medium-security prison, and she was released after eighteen months and a payment of some $7 to $8 million in fines.

Because she was a convicted felon and therefore could not have a liquor license, Helmsley could not continue to run the hotel chain that had made her famous. She spent her last years in luxurious isolation and at her death was survived by four grandchildren and twelve great-grandchildren. She was then said to be worth between $4 and $8 billion, most of it from the estate left to her by Harry. A bequest of about $35 million was allocated to her survivors, and $3 million was earmarked for the upkeep of the Helmsleys' lavish columned $1.4 million mausoleum. Initially, two of her grandchildren were to be left nothing, but upon appeal they were awarded several million dollars. She also left several million dollars for the care of her beloved dog.

The Leona M. and Harry B. Helmsley Charitable Trust

Upon her death in 2007, Leona Helmsley bequeathed some $4 billion to the Leona M. and Harry B. Helmsley Charitable Trust, which had originally been established in 1999, two years after Harry's death. The trust is administered by five trustees, and among the original trustees personally appointed by Leona were her brother Alvin Rosenthal, two of her grandsons, her lawyer, and an adviser. During Leona's lifetime, the trust made grants to several worthy causes, among them the Red Cross for victims of Hurricane Katrina, various medical facilities, and families affected by the September 11, 2001, World Trade Center bombings. She stipulated that upon her death all of her assets, including the sale of her homes, be placed in the trust. It was her stated wish that the trust's funds be primarily used for the care of dogs. However, the trustees went to court to request that the trust not be bound by her wishes and that they be allowed to distribute funds as they saw fit. The trustees were duly granted the discretion to do so by a Manhattan judge. Although awarding funds across many areas of human endeavor, as of 2009 the trust has focused mainly on health-related issues.

In April, 2009, the trust announced its first round of grants since Helmsley's death, some $136 million, of which $115 million would be allocated to medically related causes, such as rural health care and the research and treatment of diseases like diabetes, heart disease, and digestive disorders. The remainder would go to such areas as antipoverty programs, conservation efforts in Central and South America, and increased access to education.

When the terms of the trust were first made public, the stipulation of $12 million for the lifetime care of Leona Helmsley's Maltese dog, Trouble, had been widely ridiculed by those not involved in animal welfare. Jokes that contained variations of "the Helmsley fortune is going to the dogs" were widespread. The bequest for Trouble was reduced to $2 million, the remainder going back into the trust. As of 2009, only about $1 million had been awarded to charities providing canine care.

Legacy

Despite her undoubted business acumen and works of charity, it is almost a certainty that Leona Helmsley will be remembered as a symbol of greed and by the pejorative nicknames, especially Queen of Mean, bestowed upon her by a legion of detractors. Even during her lifetime, in 1990 a television film titled *Leona Helmsley, the Queen of Mean* starred Suzanne Pleshette in the title role. Helmsley's business savvy and self-starred advertisements probably helped to increase the revenues of the Helmsley hotels, at least until her negative reputation became the object of public ridicule and scorn. However, the Helmsley Charitable Trust will distribute the billions she bestowed upon it to worthy causes, and because of her largesse her reputation may someday, at least partially, be restored.

—*Roy Liebman*

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See also: Sheldon Adelson; Donald Bren; J. Willard Marriott; Jay A. Pritzker; Donald Trump; Steve Wynn.

Heshen

Chinese government official

Heshen rose from humble circumstances to become the most powerful and influential official during the reign of Qing Dynasty emperor Qianlong. Before his sudden and precipitous downfall, he amassed a fabulous fortune that made him the richest person in China.

Born: 1750; China
Died: February 22, 1799; Beijing, China
Also known as: Shanboa (birth name); Ho-Shen
Source of wealth: Government
Bequeathal of wealth: Dissipated; confiscated

Early Life

Heshen (heh-shehn), whose birth name was Shanboa, was born into the Niohuru (wolf) clan, a prominent Manchu tribe. He was the son of a military officer stationed at Beijing who fought under the Plain Red Banner, part of a hereditary conscription system of professional soldiers, grouped by tribal units and arrayed in red armor, symbolizing fire. Heshen was educated in a government school and afterward qualified for the Chinese civil service.

First Ventures

At the age of twenty-two, Heshen was assigned to be an imperial bodyguard in Beijing. Within a short time, he caught the eye of Emperor Qianlong and quickly became a favorite at court. There are several probable reasons that he was chosen to be an imperial bodyguard. Heshen was of the same clan as the emperor's mother, Xiao Sheng Xian. He was fluent in several languages. He was also skilled at poetry, one of the emperor's favorite pastimes. Most important, he was well spoken and attractive, with fair, pale skin and red lips; it is possible that Heshen and the emperor became lovers.

Whatever the true reason for his selection, Heshen advanced rapidly within the hierarchy of Chinese government. Early in his career he was considered conscientious and was well respected. By the age of twenty-five he was given a high rank on the Board of Revenue. Within months he had gained the titles of grand councilor and minister of the imperial household, and he was regularly granted additional privileges normally accorded only to those of advanced seniority. The emperor also showered him with expensive gifts. Heshen grew wealthy, and he did not hesitate to take advantage of his elevated position. He was said to have accepted bribes, embezzled government funds, and extorted money.

Mature Wealth

Heshen eventually took charge of the Board of Revenue and the Civil Council, and he ultimately held some twenty significant government posts simultaneously, which gave him virtual financial control of the empire. To solidify his status, he appointed friends and family members as assistants. In the early 1780's, his son Fengshenyinde married Qianlong's favorite daughter, Gulunhexiao. Despite growing complaints about Heshen's corruption, the aging emperor believed Heshen could do no wrong. Emboldened, Heshen grew less circumspect in his larceny. During the White Lotus Rebellion (1796-1804), he pocketed large amounts of money intended to pay government troops to fight the rebels.

Heshen's demise was swift. In 1796, Qianlong formally stepped down as emperor in favor of his son Jiaqing, though he continued to rule from behind the scenes until his death on February 7, 1799. Within days of Qianlong's death, Jiaqing had Heshen arrested, tried, and condemned to "the death of a thousand cuts." However, the fallen official was allowed to commit suicide, and he hanged himself. Heshen's property was confiscated. The treasure seized included estates and mansions incorporating 3,000 rooms and housing 600 concubines, 8,000 acres of land, 100 gold ingots, 9 million silver ingots, more than 50,000 pounds of foreign currency, great quantities of precious stones, 100,000 porcelain vessels, nearly 500 European clocks, 14,000 bolts of silk, and 7,000 sets of clothing. It is estimated that the value of Heshen's accumulated property was more than the value of the Qing government's entire treasury.

Legacy

More than two centuries after his ignominious death, Heshen still serves as an example of absolute power corrupting absolutely. In China, he is often portrayed as a villain—sometimes purely evil, sometimes humorously bumbling—on stage and in films and television programs. He is something of a national symbol of the raw greed and degeneracy that marked the Qing, China's last dynasty, which ended its rule in 1911. Although Heshen's wealth was absorbed into the imperial treasury, one of his former possessions can still be seen: the magnificent Prince Gong Mansion in Beijing.

—*Jack Ewing*

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See also: Huang Zhiyun; Liu Jin; Ma Yueguan; Wu Bingjian.

James J. Hill

American railroad and shipping magnate

Hill began his career shipping merchandise on a small Minnesota railway, and he eventually owned railroads throughout the upper Midwest, Great Plains, and Pacific Northwest. The influence of his rail lines in these areas of the country earned him the nickname the Empire Builder.

Born: September 16, 1838; Rockwood, Upper Canada (now in Ontario, Canada)
Died: May 29, 1916; St. Paul, Minnesota
Also known as: James Jerome Hill; J. J. Hill; the Empire Builder
Sources of wealth: Railroads; shipping; investments
Bequeathal of wealth: Spouse; children; charity

Early Life

James Jerome Hill was born into a Scotch-Irish family in southern Ontario, Canada. He had a happy childhood on the farm, surrounded by extended family. At age seventeen, he went to St. Paul, Minnesota, landing by boat there on July 21, 1856. He got his first job as a shipping clerk, then called a "mud clerk." Hill worked hard on the levee in St. Paul, where steamboats arrived and employees loaded and unloaded tons of goods. Many supplies were headed north after traveling along the oxcart trails in the Red River Valley. Carts would come down the trail in June with furs, hides, and pelts and return with winter supplies for valley residents and the military. The growing population and farming enterprises of the valley and the supplies needed at Fort Garry, located in what is now Winnipeg, Manitoba, kept up the demand for supplies that landed on the levee in St. Paul.

First Ventures

After seven years in St. Paul, Hill opened his own warehouse on the Mississippi River. He began a shipping business that continued for twenty years. Hill transported flour from Minneapolis mills and other freight, as well as immigrants and passengers, along the cart trails. Instead of oxcarts, however, he used the latest technology of wagons, steamboats, and flatboats. Hill began a pattern of development that would serve him well in many endeavors. He was always interested in doing something better, faster, or more economically than his rivals. He read everything he could on a topic and kept up with the latest news. He traveled extensively and built strong social relationships with colleagues. He fearlessly broke new ground where commerce did not exist before.

Norman W. Kittson, who opened a trading post in Pembina, North Dakota, in 1843, shipped furs with Hill and then turned over the business to him. From about 1856 to 1870, a good portion of the furs traveling east through St. Paul were buffalo robes. Hill would broker goods like these, whether from the United States or England, traveling east or west, from the point of purchase

The James J. Hill Reference Library

The library that James J. Hill founded in St. Paul, Minnesota, was intended to rival the elite libraries of the East, such as those established by his friend, businessman J. P. Morgan. Hill believed that current, accurate information was vital to business success, and he went to great lengths to seek out information, including traveling to Canada to get a firsthand knowledge of business conditions and borrowing books from libraries in the East. Hill read books every day, authored several of his own works, and was inexhaustibly curious about different topics, such as land use, agriculture, and business matters. A room in his mansion, Hill House, was set aside as a school for his younger children. Servants in Hill House were allowed to borrow books from Hill's private library so that they, too, could be well informed.

Hill first conceived the idea for his library in 1887, and he described his concept in correspondence to his friend, Edward Duffield Neill, president of Macalester College. In 1983, when St. Paul officials wanted to throw a lavish celebration to commemorate the extension of Hill's Great Northern Railway to Seattle, Hill suggested the city finance the building of a library instead. He also offered to contribute twice the amount of the city's contribution to build the new facility. However, the city was experiencing economic difficulties throughout the 1890's, and the project was delayed.

Construction began in 1913. Hill envisioned a library that would enable scholars from the area to obtain reference materials without having to borrow books from faraway libraries, as he had done. He personally selected materials by preparing lists and guidelines for books on philosophy, religion, and science, excluding law and medicine. He also appointed Joseph Gilpin Pyle as librarian and as his official biographer. The project, however, was again delayed after Hill's sudden death in 1916.

The James J. Hill Reference Library opened on December 20, 1921, one month after the death of Hill's wife, Mary. Originally named the Hill Reference Library, it was built in a combination of Beaux Arts and Italian Renaissance styles, and it was located adjacent to the public library and separated by a wall. A door on the second floor adjoins the public library, facilitating access. The library houses the Hill Center for Ethical Business Leadership and supports community and professional endeavors.

to their destination. He would personally involve himself in all correspondence connected to the purchase and sale of this merchandise.

In the early 1870's, Hill used more sophisticated forms of transportation to eliminate competition from the powerful Hudson's Bay Company, a Canadian-based firm that dominated trade in the Red River Valley. He shipped goods by rail from St. Paul to St. Cloud, Minnesota, then by stage to the Red River, and then moved merchandise north by steamer to Winnipeg. The Hudson's Bay Company, by comparison, trekked in goods by oxcart between Fort Garry and the new settlement in Pembina. Hill eliminated the need to use oxcarts, building a railroad to travel between St. Paul and St. Cloud that was a cheaper and more efficient means of transportation. The route from the South to the Great Lakes to St. Paul to St. Cloud surpassed the Hudson's Bay route to the Red River Valley from the north.

When the Northern Pacific Railway declared bankruptcy during the Panic of 1873, Hill took control of this line and began to build a major railroad empire. He continually improved his rail lines, installing heavier rails, increasing tonnage per car, and lowering rates, and these actions would enable him to compete successfully with other railroad magnates and to survive the Panic of 1873.

Mature Wealth

In 1878, Hill and four other investors purchased the St. Paul & Pacific Railroad, which had gone bankrupt. Renaming it the St. Paul, Minneapolis & Manitoba Railway, the investors profited from its running to St. Cloud, where it joined with the Red River Valley and northwestern trade routes. Encouraging immigrants to travel on the railroad proved to be a stabilizing factor for the line, establishing the location of clients along main routes and branches who guaranteed continued business dealings.

In 1880, Hill became an American citizen. However, he was instrumental in developing the Canadian Pacific Railway from 1880 through 1883. Hill took a position with the railroad, helping to reorganize it out of bankruptcy. The Canadian Pacific's westward expansion would parallel the westward extension of Hill's other railroads. He continued to attract new business partners and relationships because those businesses profited by association with his railroads.

The St. Paul, Minneapolis, & Manitoba Railway kept growing. When Hill became president of the line in 1882, it went as far west as Montana. Hill renamed the line the Great Northern Railway when he became president and chairman of the board in 1890. By 1893, the westernmost point of the line had extended to Seattle, Washington, and the railroad connected this city with Minneapolis and St. Paul.

The success of his rail lines financed many of Hill's other profitable ventures, including companies involved in agriculture, milling, banking, finance, and coal. He knew that England's successful economy was tied to the cheap and efficient transportation of coal as the preferred fuel for home heating and iron production, so he worked with Pennsylvania coal producers through sales agents in Chicago. He replaced wood with coal as a source of fuel for his rail engines and other businesses. He insisted that his railroads have reputations of reliability and efficiency, which was a source of pride for him. His gutsy, feisty business acumen was matched by his strong work ethic and brilliant economic maneuvering. He was respected by friends and competitors alike.

At the beginning of the twentieth century, Hill purchased the Chicago, Burlington & Quincy Railroad. In 1904, he attempted to unite his three large railways—the Great Northern, Northern Pacific, and Chicago, Burlington & Quincy—but the U.S. Supreme Court prohibited this move. However, these railroads did merge in 1970 to form the Burlington Northern Railroad.

Hill's son Louis took over the chairmanship of the Great Northern Railway when Hill retired in 1912. While in retirement, Hill bought and merged two banks and then brought Louis into the banking business.

Hill's wealth was evident in the lifestyle that he and his family enjoyed. He and Mary Hill were married in St. Paul by Bishop John Ireland in 1867. The couple had ten children: Mary Frances, James Norman, Louis, Clara, Katherine (who died as an infant), Charlotte, Ruth, Rachel, Gertrude, and Walter. In addition to the family's mansion, Hill House, in St. Paul, the Hills maintained a New York town house and a home in Paris. Their properties in or near St. Paul included the five-thousand-acre North Oaks farm, a summer home, which later provided land for the city of North Oaks, Minnesota. Hill owned two other farms in the Red River Valley.

Hill's large family would travel abroad, attend school in the East, and winter in at the Jekyll Island Club in Georgia. Club members included J. P. Morgan, a fellow financier and loyal supporter of Hill. Hill's yacht, the *Wacouta*, was used to take him on summer trips to his lodge in Quebec, where he fished for salmon on the St. John River. Hill died in 1916 at the age of seventy-seven.

Legacy

Hill's Great Northern Railway opened the Pacific Northwest to transportation and commercial development from the east. His railroad and shipping business exerted economic dominance not only in the Pacific Northwest but also in the upper Midwest and the Great Plains.

Another of Hill's achievements survived after his death. Hill House was declared a National Historic Landmark in 1961. The residence, which Hill constructed from 1888 to 1891, had its own power plant, pipe organ, art gallery, and electric lights and contained thirty-six thousand feet of living space. The Minnesota State Historical Society acquired Hill House and renovated it during a five-year period beginning in 1979, financing the rehabilitation with state, federal, and private funds. The home is open for public tours and events.

Hill was a generous philanthropist who wanted to elevate public knowledge. He donated the funds for a public facility, the James J. Hill Reference Library, which continues to operate in the twenty-first century. He donated millions of dollars to found the St. Paul Seminary, construct the St. Paul Hotel, and help establish Macalester College. He also made contributions to the Little Sisters of the Poor and other charities.

—Jan Hall

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See also: Philip Danforth Armour; John Insley Blair; William Andrews Clark; Jay Cooke; Charles Crocker; Daniel Drew; Henry M. Flagler; John W. Garrett; Edward H. Harriman; Mark Hopkins; Collis P. Huntington; Daniel Willis James; J. P. Morgan; George Mortimer Pullman; Russell Sage; Jacob Schiff; Donald Smith; John D. Spreckels; Leland Stanford; William Thaw; William Henry Vanderbilt; Frederick Weyerhaeuser.

Hipponicus II

Greek politician, statesperson, and military leader

Hipponicus, probably the least-known member of one of the wealthiest families in ancient Athens, maintained the family fortune and passed it on to his son, Callias II.

Born: c. 510 b.c.e.; Athens, Greece
Died: c. 450 b.c.e.; Athens, Greece
Also known as: Hipponicus Ammon
Source of wealth: Inheritance
Bequeathal of wealth: Children

Early Life

Nothing is known about the early life of Hipponicus II (hihp-PON-ih-kuhs), not even his exact birth date. What is known is derived largely from what is written about his great-grandson. Hipponicus II was a member of the Callias-Hipponicus family, in which the eldest son in each generation was given one of these names in turn. Thus, Hipponicus's father was Callias I, his son was Callias II, and his grandson was Hipponicus III. The family, members of a group known as the *palaeoplutoi* (old rich men), held the hereditary right to carry a torch at the Eleusinian mysteries, a privilege reserved for high-ranking families.

Hipponicus II was born into wealth. His grandfather, the first Hipponicus, had engaged in some shady land deals when Solon, an Athenian statesman, was canceling debts to prevent a political crisis in Athens in 594 b.c.e. According to the biographer Plutarch, Hipponicus I knew of the plan in advance, borrowed money to buy land, and then kept the land when Solon canceled debts. Callias I, father of Hipponicus II, depleted the family fortune to some degree with his passion for racehorses. He also gave his three daughters enormous dowries and, according to Herodotus, allowed them to choose their own husbands. However, he was also known as an opponent of the tyrant Pisistratus and his son Hippias of Athens, whose expulsion set the stage for the Athenian democracy in 510 b.c.e.

First Ventures

The meager historical sources do not provide enough information to know how Hipponicus II replenished the family fortune. A dubious story says that he enriched himself with treasure taken from a Persian general in 480 b.c.e. This story is told by Athenaeus, a rhetorician who lived in the second and third centuries c.e. and is generally regarded by scholars as unreliable. Equally dubious stories were told about the dishonesty of Hipponicus's son, Callias II.

Mature Wealth

The family's considerable wealth seems to have made it the target of gossipmongering inspired by the jealousy of poorer Athenians. All that can be known is that Hipponicus passed an enormous fortune on to his son. This son, Callias II, seems to have added to the family fortune by mining for silver. His nickname, Lakkoploutos, means "wealth from a pit." Hipponicus II may have engaged in a similar enterprise. His wealth was so great that the writer Andocides, in a speech delivered around 400 b.c.e., can refer to a period "when Athens was mistress of Greece and at the height of her prosperity and Hipponicus was the richest man in Greece."

Legacy

Hipponicus II left such an enormous fortune that when his son, Callias II, was impeached by the Athenian assembly for accepting bribes and fined the enormous sum of fifty talents, the fine was only one-fourth of Callias's assets. (The purchasing power of a talent is variously estimated at between $13,000 and $20,000 in 2010 currency.) Hipponicus III, grandson of Hipponicus II, fathered a daughter who married the statesman Alcibiades of Athens with a dowry of ten talents, the largest known to that time. The last important member of the family, Callias III, was infamous for his extravagance. He appears as an intellectual dilettante in the writings of Plato and Xenophon in the early fourth century B.C.E., and he is reported to have reduced himself to the state of a beggar by spending huge sums on women and philosophical teachers known as Sophists. Plato's dialogue, *Prōtagoras* (399-390 B.C.E.; *Protagoras*, 1804), takes place in Callias's house, which is called "the greatest and most prosperous in town." Apparently all the family's money went to one son. Callias's brother Hermogenes appears in Plato's dialogue *Cratylos* (388-368 B.C.E.; *Cratylus*, 1793) but no mention is made of any great wealth.

—*Albert A. Bell, Jr.*

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See also: Agamemnon; Nicias; Pasion.

Moritz Hochschild

German mining magnate

An important German-Jewish mining entrepreneur during the first half of the twentieth century, Hochschild built a corporate empire in Bolivia based on the mining and trading of tin. Along with fellow tin barons Simón Iturri Patiño and Carlos Victor Aramayo, Hochschild controlled Bolivian tin mining before the 1952 Bolivian revolution.

Born: 1881; Biblis, Germany
Died: 1965; Paris, France
Also known as: Mauricio Hochschild
Source of wealth: Mining
Bequeathal of wealth: Children; charity

Early Life

Moritz Hochschild (MOH-rihts HOK-chihld) was born in 1881 in Biblis, Germany, the first child of Ludwig Hochschild and Jeanette Hirsch. He was a nonpracticing Jew who studied at the Bergakademie, a mining school in Freiberg, Germany, earning a degree in mining engineering in 1905. After graduation, he went to work at Metallgesellschaft AG, a mining concern based in Frankfurt, Germany.

First Ventures

Hochschild's first attempt to obtain a doctorate in mining engineering was rejected by the Bergakademie in 1906. A subsequent attempt, based on a dissertation that examined global copper production, was accepted by the Bergakademie in 1921. Hochschild went to Chile in 1911 and established a business dedicated to the purchase of copper ore from small mining companies. When World War I broke out, Hochschild was in Germany. He was active in the procurement of metals for the German military effort.

In 1918, Hochschild married Kathe Rosenbaum, who died of tuberculosis in 1924. Their only child, Gerardo, was born in Valparaiso, Chile, in 1920. Hochschild returned to Chile in 1919. In 1921, he moved to Bolivia and involved himself in the *rescate* business, the buying of ore from small-scale producers. He supplied the miners with tools, food, and loans, often providing the supplies on credit.

Mature Wealth

Much of Hochschild's wealth came from the purchase of ore from small-scale tin miners in Bolivia. It was during the 1920's that he became known as Don Mauricio, an honorific title added to the Spanish version of his first name. By 1926, Hochschild's company, with its headquarters in Valparaiso, Chile, was a multinational enterprise with eleven subsidiary offices located throughout Chile, Bolivia, and Peru. Between 1922 and 1927, the international price of tin doubled, thus affording Hochschild the capital to begin acquiring tin mines. The early years of the Great Depression, however, severely reduced Hochschild's profits.

The international demand for tin recovered by 1932. At the same time, Hochschild's mining interests expanded into Argentina. He also increased his presence in the Bolivian tin industry during the 1930's, eventually controlling 40 percent of this nation's tin market by the

1940's. As his economic influence in Bolivia grew, so, too, did his impact on the political scene. Hochschild and two other tin barons, Carlos Victor Aramayo and Simón Iturri Patiño, were involved in a lucrative symbiotic relationship with Bolivian military dictators. As a result, the three men obtained favorable tax concessions.

In 1933, as anti-Jewish propaganda increased in Germany, Hochschild acquired Argentine citizenship. Throughout the 1930's, Hochschild facilitated the emigration of more than two thousand European Jews to Latin America. Because of Hochschild's influence, most of these Jews were resettled in Bolivia and given employment in his company.

Following the Bolivian revolution of 1952, the government nationalized the Bolivian tin industry. More than 80 percent of Hochschild's holdings, valued at $30 million, were in Bolivia. After 1952, Hochschild expanded his commercial interests in South America. At the time of his death, his holdings were valued at approximately $200 million. The money was placed in a trust, with half of it allocated to his son and the remainder to officials of his company. In 1984, firm officials disbanded the company and created the Lampadia Foundation, one of the wealthiest philanthropic organizations in South America, with an endowment of $193 million.

Legacy

Hochschild was a successful entrepreneur in the international metal trade. Although portrayed in Bolivian history as an imperialistic bandit, he helped to strengthen the nation's economy. A pragmatic businessman, Hochschild built an economic empire out of a modest initial investment.

—Michael R. Hall

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See also: Charles Engelhard, Jr.; Meyer Guggenheim; Andrónico Luksic; Simón Iturri Patiño; José Tomás Urmeneta.

Thomas Holloway

British merchant and investor

Holloway employed his keen sense of the power of advertising to establish one of the foremost patent medicine companies in England. He used the immense fortune gained from this enterprise and from his shrewd investments in stocks for major philanthropic endeavors to support treatment of the mentally ill and women's education.

Born: September 22, 1800; Devonport, Devonshire, England
Died: December 26, 1883; Tittenhurst, Berkshire, England
Sources of wealth: Sale of products; investments
Bequeathal of wealth: Relatives; educational institution; medical institution

Early Life

Thomas Holloway was born in 1800, the eldest of Thomas and Mary Chellow Holloway's six children. His father was a merchant who was running a bakery in Plymouth Dock, later renamed Devonport, when Thomas was born. In 1811, the elder Holloway became proprietor of the Turks Head Inn in Penzance, and he subsequently opened a bakery and grocery in the town.

Young Thomas was educated first at Camborne and later in Penzance. In 1816, he began an apprenticeship, most likely with a local druggist. Although he worked for a time in Penzance, by 1828 he had moved to London, where he thought there would be greater opportunities for financial gain. At about the same time, his family also moved to the city.

First Ventures

Holloway initially worked in various commercial positions. Between 1828 and 1836 he spent three years in Roubaix and Dunkirk, France, where he became fluent in French. Upon his return to London he went to work as secretary and interpreter for an import-export firm. In 1837, he made the acquaintance of Felix Albinolo, an

Italian entrepreneur who was trying to gain endorsements for a medicinal ointment he had created. Holloway may have attempted to provide Albinolo some assistance, but Albinolo eventually ended up in debtor's prison and his business failed. Nevertheless, Holloway was convinced that money could be made in patent medicines if products were properly advertised. Using some of his mother's kitchenware, he created his own ointment, which he began advertising in 1837. Holloway quickly overextended himself, however, and like Albinolo ended up in debtor's prison. Fortunately, creditors who thought his business had potential bailed him out, and with renewed vigor he reestablished his business.

Mature Wealth

Holloway initially set up shop on the Strand in London. After being released from prison, he expanded his line of offerings from ointments to pills, seeking endorsements from medical professionals and developing promotional materials that stressed the nearly miraculous effects of these remedies. In 1840, he married Jane Driver, who would prove an excellent partner. She understood his need to be constantly at his business, and she willingly accompanied him on calls to prospective distributors and clients. The couple had no children, a fact that had significant impact in later years when Holloway was deciding what to do with the fortune he had accumulated.

Holloway's prior experience in the import-export industry made him keenly aware that sales could be increased substantially if he could ship his product abroad. In the 1840's he began an aggressive campaign to establish distributorships worldwide, traveling to Europe to find reliable agents and eventually sending members of his wife's family to represent his firm in places where he did not travel himself. He could often be seen at the London docks negotiating with ship captains and merchants to take his products aboard their vessels in order to be sold at ports of call. He had labels printed in numerous languages so potential customers could easily identify his products. He even went so far as to produce a pamphlet for missionaries, instructing them on ways to improve the health of the populations they encountered in the jungles of Africa and Asia, emphasizing a regimen that included generous use of his products.

The business grew quite rapidly. By 1851, Holloway had thirty employees on the premises and scores of sales and delivery people on his payroll. He expanded his facilities on the Strand several times before finally moving to a more spacious location on Oxford Street in 1867. A decade later on-site employees numbered more than one hundred, with a corresponding increase in the outside sales and delivery force. Holloway was reported to be a tough taskmaster not only in demanding hard work but also in requiring employees to demonstrate high moral character. At the same time he exhibited concern for his workers, to the point of initiating a form of pension for loyal employees. He was less kind to competitors, even suing his brother Henry in 1850 for marketing products in packaging strikingly similar to that being used by Holloway's own firm.

By the mid-nineteenth century in England there were dozens of purveyors of patent medicines, each claiming that their "secret formulas" cured numerous ailments. Holloway realized that the key to financial success in this industry lay in advertising, creating what would later be called "brand awareness" among the populace at large. In his first years he spent as much as £5,000 to place notices in newspapers throughout England. That sum seemed remarkably large at the time, but it would pale by comparison to Holloway's future outlays—£50,000 a year by the 1880's, paid to newspapers around the globe who carried notices of Holloway's Pills and Holloway's Ointments.

By the 1880's Holloway could justify such an expense because it was the principal reason for his ability to generate profits virtually unheard of in business at the time. Over the years, modest earnings grew rapidly to immense sums by Victorian standards, so that at the height of his company's production Holloway was realizing a staggering net profit of £50,000 annually. Rather than squander his money on opulent living, Holloway invested in stocks and bonds, diversifying his holdings to include interests in entities as diverse as the Great Indian Railway and Turkish defense funds. He provided well if not lavishly for his wife and her family, purchasing Tittenhurst Park, a grand estate that he made his home, and numerous other properties. His net worth in all probability exceeded £1 million by the 1870's. In fact, Holloway was wealthy enough to loan money to the government of France in 1871 to finance its war against Prussia. He remained active in his business all his life, although he began to rely more heavily on relatives, especially his brother-in-law George Martin, to carry out a number of business and philanthropic tasks.

Because Holloway had no children, he and his wife began planning early for the disbursement of their fortune upon their deaths. In the 1860's he became interested in helping the seventh earl of Shaftesbury alleviate the problem of mental illness among the middle classes. His involvement eventually led to his underwriting of the Hol-

Royal Holloway College

When Thomas Holloway decided in the 1870's that he would use a part of his vast fortune to create a college for women, he acted with zeal characteristic of Victorian gentlemen. He threw himself personally into the project, securing the services of architect William Henry Crossland and soliciting advice from politicians and educators both in England and in America. He was especially interested in what was happening at Vassar College in New York and even sent an emissary to meet with Vassar's president to glean information that would guide Holloway in shaping the facilities and program of studies at his new institution. In 1876, he deeded ninety acres in Egham, Surrey, southwest of London, to be used as a site for the college.

Holloway was personally involved in designing what is now known as the Founder's Building, a massive quadrangle structure modeled on the Château de Chambord, a residence for French royalty for centuries. He also helped design the curriculum, which he insisted should rival those of Oxford and Cambridge Universities in providing liberal arts education for women. Unfortunately, the initial design of the building clashed with educational requirements, and shortly after the college was opened renovations were required to create additional lecture halls and science laboratories. Nevertheless, the institution opened to much fanfare in 1886, with Queen Victoria presiding over inauguration ceremonies.

In 1900, Royal Holloway became a part of the University of London, Great Britain's premier teaching university. In 1965, the college became coeducational, and in 1982 it merged with Bedford College, another institution within the University of London that had been established to educate women. The newly merged entity was officially renamed Royal Holloway and Bedford New College, but in 1992 the shorter title Royal Holloway, University of London, was adopted for common use. In the twenty-first century the college has a typical annual enrollment of nearly eight thousand students from more than one hundred countries.

loway Sanatorium southwest of London. He was not too busy at work to devote considerable time to supervising construction at the building site. By most estimates, he provided approximately £300,000 for the venture. That alone might have been enough to secure his place among the nineteenth century's most important philanthropists, but Holloway was not finished with his charitable contributions. Prompted by his wife, he decided to establish a college for women. After her death in 1875, he threw himself into the project with exceptional vigor, eventually pledging in excess of £750,000 to build and endow what would become known as Royal Holloway College, one of England's first institutions of higher learning for women. During the last two years of his life, he assembled a collection of artwork valued in excess of £80,000 for display at the college because he thought young women should be exposed to the arts as part of their education.

Sadly, Holloway did not live to see the opening of either of the institutions that he established. He died from lung congestion in December, 1883. The first patients were admitted to Holloway Sanatorium in 1885, and the Royal Holloway College was officially opened by Queen Victoria in 1886.

Legacy

Upon his death, the Holloway Sanatorium and Royal Holloway College received the sums not yet paid out from the amounts Holloway had designated for their construction and endowment. His sister-in-law Mary Driver received the bulk of Holloway's estate, including the business, which survived for nearly half a century, providing income for his heirs and comfort to the millions of customers who found relief in his concoctions. Although developments in medicine have made all-purpose curatives like Holloway's pills and ointments virtually obsolete, his ventures into philanthropy made a significant impact in two fields: the treatment of mental illness and education for women. From its opening in 1885 until well into the twentieth century, the Holloway Sanatorium met the needs of thousands of mentally ill patients from various social classes. Holloway's venture into higher education proved even more enduring. Almost from the day its first students entered, the Royal Holloway College became a mainstay of women's education in England. Additionally, the works of art Holloway assembled during the last years of his life specifically for the college have been recognized as one of the finest collections of Victorian painting in the country.

—*Laurence W. Mazzeno*

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See also: Robert Wood Johnson II; William Weightman; Henry Wellcome.

SOICHIRO HONDA

Japanese mechanical engineer and automobile magnate

Honda founded the Honda Motor Company, which became a major world exporter of motorcycles and automobiles. His firm was the largest of the Japanese-based companies that were established after World War II.

Born: November 17, 1906; Iwat-gun, Japan
Died: August 5, 1991; Tokyo, Japan
Also known as: Honda Soichiro
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Relatives; charity

EARLY LIFE

Soichiro Honda (soh-ee-chee-roh hohn-dah) was born in 1906 in a small village located near the larger Japanese town of Hamamatsu. He was the first of nine children, five of whom died of malnutrition and lack of proper medical care. His father was a blacksmith who also engaged in the bicycle repair business. Honda disliked school and at the age of fifteen left his hometown for Tokyo, where he became an apprentice in the Art Shokai auto repair shop. During this period he also acquired what was to be a lifelong interest in automobile racing, serving as a mechanic for the Japanese auto racer Shinichi Sakibahara.

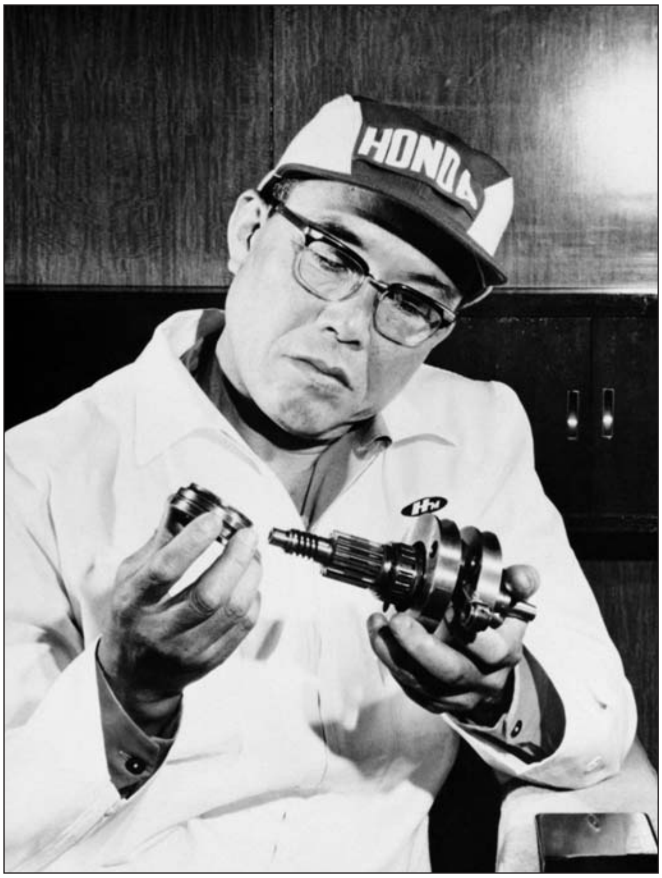
FIRST VENTURES

In 1928, Honda returned to his home region and opened an Art Shokai shop in Hamamatsu. As a business owner he was known for demanding a high level of performance from his employees, although management itself was never one of his strengths. Honda's greatest abilities were his engineering acumen, his innovativeness, and his entrepreneurial vision. Three years after opening his shop he received a patent for the use of cast-iron spokes on automobile wheels; this would be the first of the 150 patents he would be granted over the course of his career. In 1939, he took a managerial position in a piston ring factory in Hamamatsu, and he remained in this job until the end of World War II.

MATURE WEALTH

Struggling to exist in Japan during the difficult postwar years when little gasoline was available, Honda attached a small kerosene-driven motor to a bicycle and created a simple but functional motorcycle. He soon designed a motor that could be used for this purpose, and in 1948 he launched the Honda Motor Company. By means of a well-designed advertising campaign, the Honda motorcycle, known as the Dream D, was marketed to middle-class Japanese as a convenient and inexpensive mode of transportation, and Honda's business flourished. At this time, Honda also turned over the day-to-day operation of the company to his friend Takeo Fujisawa, who remained in that position for the remainder of their respective careers. During the decades that followed, Honda motorcycles achieved world renown and became market leaders both in Japan and abroad.

In 1962, Honda expanded into automobile production, and during the decades that followed the company achieved great success with such models as the Civic, introduced in 1972, and the Accord, introduced in 1976. In the early 1970's, Honda also entered the American auto market, and within a relatively short period of time he was competing successfully with the Japanese export giants Toyota Motor Corporation and Nissan Motor Company. At the end of the decade, Honda opened the first Japanese-owned production plant in the United States, establishing a pattern that other automobile companies would follow in the years to come.



Soichiro Honda works in one of his company's research laboratories. (AP/Wide World Photos)

Legacy

Soichiro Honda was an outgoing, personable, and frequently eccentric individual, earning a reputation as a risk taker in both his business ventures and his personal life. In the latter area, he engaged in automobile racing throughout most of his active years and continued to be interested in sports like skiing, hang gliding, and ballooning well into his seventies. In addition to his 150 patents, he is credited with at least 470 inventions. After retiring as president of his company in 1973, Honda continued to play a role in its affairs as a director, ultimately taking the title of "supreme adviser."

At the time of his death from liver failure in 1991, the company he started had a net value of $30.5 billion and was considered the largest company founded in Japan during the postwar era. Much of his personal wealth went into two organizations that he founded, the International Association of Traffic and Safety Sciences, which he cofounded with Fujisawa in 1974, and the Honda Foundation, established in 1977.

—*Scott Wright*

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See also: Giovanni Agnelli; Walter P. Chrysler; Chung Ju Yung; John F. Dodge; Henry Ford; Alfred P. Sloan.

Johns Hopkins

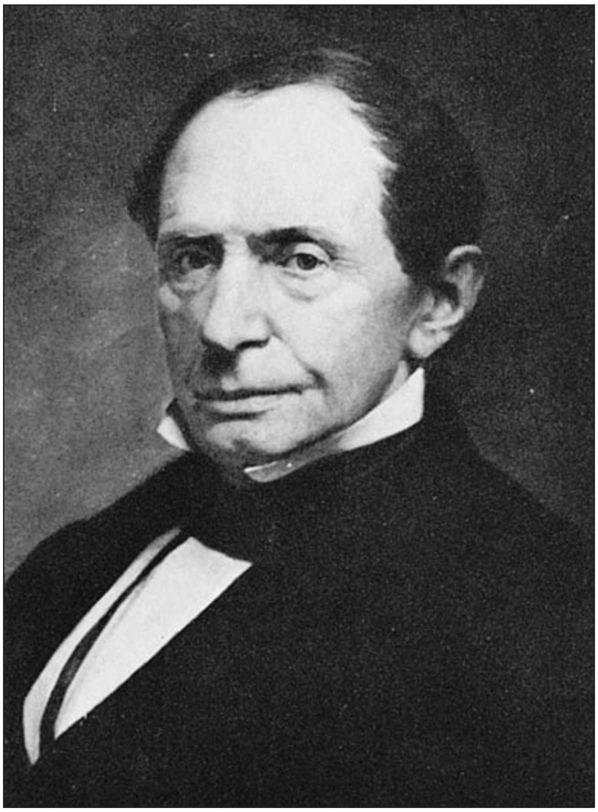
American banker and merchant

Hopkins's bequeathal of $7 million, railroad stock, and his Clifton estate created and endowed Johns Hopkins University and Johns Hopkins Medical School and Hospital, among the most renowned institutions of their kind in the United States.

Born: May 19, 1795; Whitehall Plantation (now Whitehall Manor), Anne Arundel County, Maryland
Died: December 24, 1873; Baltimore, Maryland
Sources of wealth: Trade; banking; real estate; investments
Bequeathal of wealth: Relatives; educational institution; medical institution

Early Life

Johns Hopkins was the second of eleven children born to wealthy parents, Samuel Hopkins and Hannah Janney Hopkins, on a tobacco plantation between Baltimore and Annapolis. His first name, Johns, was the surname of Margaret Johns, the daughter of a wealthy landowner in Calvert County who married Gerard Hopkins, Johns Hopkins's great-grandfather. Johns Hopkins and his family enjoyed wealth and comfort. Situated in a beautiful area of streams, rolling hills, and trees, the home where he was raised was the site of frequent social gatherings. Family members and neighbors enjoyed fox hunting. While the Hopkins family had come to America from England as members of the Church of England, his great-grandfather Gerard Hopkins joined the Society of Friends (Quakers) after hearing preacher George Fox in 1671.



Johns Hopkins. (The Granger Collection, New York)

Hopkins's family fortune and his life changed in 1807, when his parents, deciding to abide by the Quakers' support of abolition, freed their slaves. The leisure time his family had enjoyed was now directed toward working the plantation, and though Hopkins had been an avid student and reader, he now had to stop attending school. At seventeen, he was sent to live with his uncle Gerard Hopkins and work in his wholesale grocery business in Baltimore.

First Ventures

Hopkins proved himself to be a valuable employee for his uncle. His early experience of a change in fortune developed in him a carefulness and frugality that would characterize his business dealings throughout his life. He demonstrated these traits early when he was left to tend to the grocery business and the family, while his uncle and aunt traveled for several months to attend a convention of Quakers in Ohio.

Working and living in his uncle's household, Hopkins fell in love with his uncle's daughter, Elizabeth, who returned his love. When his uncle refused to approve the marriage of first cousins, Hopkins set out on his own. With monetary support of $10,000 from his uncle Gerard, and the same amount of money from both his mother and a maternal uncle, John Janney, Hopkins opened a mercantile establishment with three of his brothers called Hopkins Brothers. This venture was immediately successful, partly because of Hopkins's willingness to accept whiskey as payment for goods purchased, even though the Society of Friends disapproved of this practice and his uncle Gerard refused to engage in it. Hopkins bottled and resold the whiskey as "Hopkins Best."

Johns Hopkins University and Johns Hopkins Medical School and Hospital

With the sum of $7 million, his suburban estate, and fifteen hundred shares of Baltimore and Ohio Railroad stock to create and endow Johns Hopkins University and Johns Hopkins Medical School and Hospital, Johns Hopkins left the largest single bequest ever made to a university. Although he specified few stipulations, his bequest did state that the university benefit the Baltimore community, promote advanced education, and provide scholarships for worthy individuals.

In 1875, the university's trustees selected Daniel Coit Gilman, a forty-three-year-old experienced organizer, teacher, writer, and educational visionary, as the university's first president. To help him develop goals for the new school, Gilman traveled across the United States and Europe, studying other universities, seeking faculty, and writing letters to the new university's trustees in which he explained the principles of educational excellence. He and the trustees placed special emphasis on the development of graduate education. Ultimately, however, they agreed to admit undergraduates, offer both bachelor and graduate degrees, and serve the community with special courses and lectures.

Selection of active scholars became essential to meeting the university's newly defined mission. Gilman searched for experts in their fields—authorities who were engaged in research, willing to teach their research processes, and eager to publish the results. From the outset, the university provided laboratories and financial support for the faculty's continued education, research, and publication. Committed to producing new information, the university introduced new teaching methods that emphasized active student engagement by introducing both the laboratory and the seminar. Wanting to make use of libraries and local residences to house students, the university trustees located the university in the heart of Baltimore rather than at Clifton, Johns Hopkins's suburban estate, where he had proposed the university situate its campus. The campus was later relocated to an area called Homewood near the Homewood estate of Charles Carroll, an eighteenth century politician.

The hospital opened in 1889, but the medical school opening was delayed because the facility needed additional funds after the Baltimore and Ohio's stock declined in value. Mary Elizabeth Garrett, daughter of John W. Garrett, the president of the Baltimore and Ohio, promised to raise the additional money if the medical school would agree to establish the highest admission standards and to admit women. Under her leadership, the Women's Memorial Fund raised almost all of the needed money, and she contributed more than $300,000 to meet the shortfall. The school became the first graduate-level medical school to admit women.

John Shaw Billings, a Civil War battlefield surgeon and pioneer in hygiene and public sanitation, became the intellectual architect of the medical school, planning its first buildings and deciding how the school and the hospital would work together to advance knowledge and benefit the sick. He urged Gilman to hire pathologist William Henry Welch, the first of the four famous doctors who were associated with the institution. The other three were William Stewart Halsted, a surgeon; Sir William Osler, an internist; and gynecologist Howard Kelly. A portrait of these men by John Singer Sargent, appropriated titled *Four Doctors*, hangs in the medical school's Welch Medical Library.

Mature Wealth

Hopkins remained with Hopkins Brothers for twenty-five years, and in the process he established a reputation as a thoughtful, careful, and creditworthy businessman. As his business thrived, he accumulated enough money to lend to others in whom he recognized a potential for success and to purchase properties for development and building. He oversaw the building of dozens of warehouses close to the waterfront, where he stored the goods he purchased and sold. At the time of Hopkins Brothers' success, Baltimore was developing into a thriving port, propitiously situated at the mouth of the Chesapeake Bay. Hopkins and other business owners took advantage of the city's centrality for moving goods from the South and West overseas or to other locations in the United States that were most accessible by water.

As Baltimore developed, so did Hopkins's fortunes as he moved into banking and lending. As a merchant he had used Conestoga wagons, capable of transporting four tons of merchandise overland. He immediately recognized the value of a more efficient mode of transportation that presented itself with the newly created Baltimore and Ohio Railroad, in which Hopkins invested and which he supported enthusiastically. In 1847, he became a director of this railway, and in 1855 he was appointed its chairman of finance, a position he held for the rest of his life. He also held between fifteen and seventeen hundred shares of stock in this rail line. As the railroad developed, he recognized the business and financial acumen of a young Baltimore businessman, John W. Garrett. He nominated Garrett for the presidency of the Baltimore and Ohio and promoted his election. Garrett became president and made the Baltimore and Ohio one of the most prosperous railroads of its day, consistently earning profits for investors.

Hopkins repeatedly demonstrated his ability to recognize and support a potentially promising person or venture. In 1857 and 1873, he pledged his personal fortune to support the Baltimore and Ohio Railroad during economic downturns. He also assisted the city of Baltimore in trying economic times, leading other bankers in an effort to lend Baltimore $1 million for the city's defense at the beginning of the Civil War. His support enabled both the railroad and the city of Baltimore to flourish. He earned a reputation as a shrewd judge of character, reputedly driving a hard bargain but making possible many business enterprises that would not otherwise have been financed. Hopkins served for many years as president of Merchants Bank. Recognized as a financial authority, he was sought out to serve as director or treasurer of many other financial organizations.

Hopkins was a thrifty man who cared little for clothes and never bought an overcoat. However, he did love his properties. He purchased and lived in two beautiful residences in Baltimore, one close to the harbor on Saratoga Street, the other a five-hundred-acre estate he named Clifton, several miles from the harbor. Here he decorated his home lavishly and tastefully and oversaw the creation of beautiful gardens, which he invited the public to visit on weekends. Even though he was a Quaker, he indulged his love of good food and wine and presided over elaborate dinners, hosting many guests and members of his large extended family.

Neither Hopkins nor his first love, Elizabeth, ever married, but they remained close friends throughout their lifetimes. His bachelorhood enabled him to devote his energy and enthusiasm for life to his business ventures. As he grew older, he longed to serve the public good in some lasting way. Valuing education and observing public health problems in Baltimore, particularly the effects of epidemics, he developed a desire to contribute to the education and health of his beloved city. He determined to create a university and hospital, which he referred to as his two children. He sought advice from others on ways to facilitate his goals and was encouraged in this venture by his friend Garrett. Garrett set up a meeting between Hopkins and George Peabody, a London investment banker, who, with financial roots in Baltimore, became the city's first philanthropist, founding the Peabody Institute, a cultural center and library. In 1867, soon after this meeting, Hopkins appointed trustees and set out the terms of funding for a university and hospital. Eventually, the Peabody Institute would become a division of Johns Hopkins University.

Legacy

A man who had always cared for his relatives, providing homes for his mother and sisters during his lifetime, Hopkins left money and/or property for his sister and other relatives, his former sweetheart Elizabeth, his servants. and several Baltimore charities. He left the bulk of his estate to create the Johns Hopkins University and the Johns Hopkins Medical School and Hospital. Before his death in 1873, he appointed trustees for both the university and hospital, including businessmen, college-educated men, and fellow Quakers. Several trustees served both institutions. While he left specific instructions that the university should develop educated, capable community members and become a model of scholarly endeavors, and that the medical school and hospital should train doctors and nurses and provide care for the poor, he left most of the practical decisions of establishing both institutions to the respective boards of trustees.

—Bernadette Flynn Low

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See also: John W. Garrett; George Peabody.

MARK HOPKINS

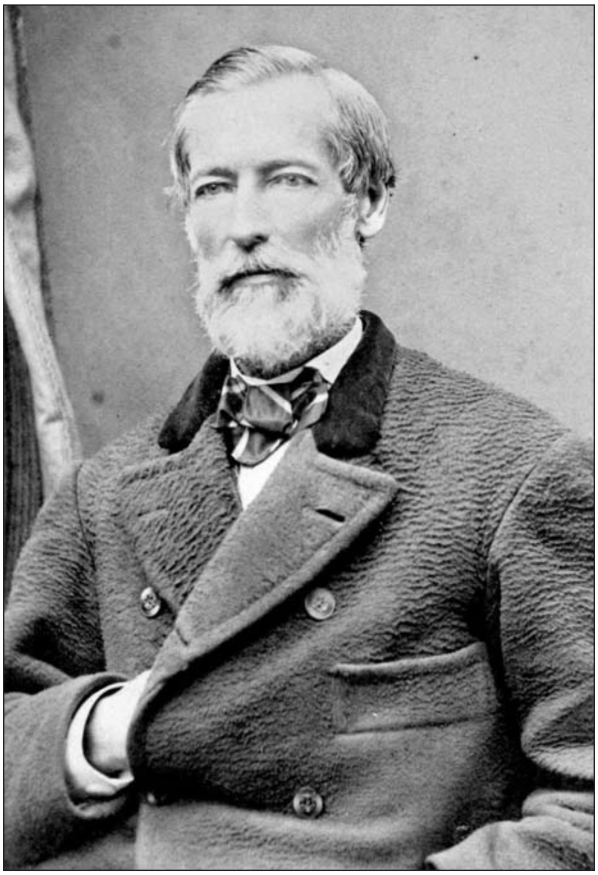
American railroad magnate

Hopkins is one of the men who helped build California by bringing the transcontinental railroad to the state. As treasurer of the Central Pacific Railroad, he made millions of dollars, but much of his fortune resulted from the political corruption typical of America's Gilded Age.

Born: September 1, 1813; Henderson, New York
Died: March 29, 1878; Yuma, Arizona Territory
Also known as: Mark Hopkins, Jr.
Source of wealth: Railroads
Bequeathal of wealth: Spouse

EARLY LIFE

Mark Hopkins, Jr., grew up on Lake Ontario's eastern shore in upstate New York, the son of a shopkeeper. In 1825, the family moved to St. Clair, Michigan Territory, where Hopkins continued his schooling. Upon his father's death in the late 1820's, Hopkins left home to become a clerk in a mercantile house in upstate New York. He then briefly studied law and worked as a traveling salesman before becoming a bookkeeper. In 1848, Hopkins contracted California gold fever and sailed to San Francisco.



Mark Hopkins. (AP/Wide World Photos)

FIRST VENTURES

After landing in California, Hopkins put up a tent in which he sold mining supplies and building materials. After making some money, he decided to try his luck at gold mining, but he could not find any gold. He then became a partner in a Sacramento grocery store. This business thrived, but in 1855 the partnership ended amicably and Hopkins joined Collis P. Huntington in operating a hardware firm. Huntington and Hopkins soon dominated the trade on the Pacific coast.

As one of the wealthiest men in Sacramento, Hopkins was approached by engineer Theodore Judah with plans for a transcontinental railroad. Hopkins, Huntington, Leland Stanford, and Charles Crocker organized the Central Pacific Railroad in 1861, with Hopkins as treasurer. The quartet, known as the "Big Four" or "the Associates," completed the railway in 1869. Their payments to politicians resulted in legislation favorable to the railroad and helped the associates turn a handsome profit.

MATURE WEALTH

Hopkins excelled at managing both money and his colleagues. Within the Big Four, he acted as a peacemaker and a counterweight against the excesses of the other men. He stood apart from his flamboyant, aggressive, and often arrogant associates. He spoke softly and with a lisp. He hated waste, and even when he was a multimillionaire he would chastise clerks for throwing away blotting paper that could still be used. He could often be seen bending down in the street to pick up a rusty bolt or some other piece of scrap iron. Hopkins apologized for his wealth and hesitated to spend it. He lived in a small rented cottage, kept no carriage, and took no vacations. He rose early, walked to work, walked home, and continued to work until the early hours of the morning. He had no interest in the competitive spending of the Gilded Age. However, his wife Mary had different ideas about spending. At her insistence, he joined the rush to erect a mansion on Nob Hill in San Francisco. The Hopkins mansion, which cost $3 million, boasted several turrets and an observation tower. Unfinished at Hopkins's death, the residence was a casualty of the San Francisco earthquake of 1906.

Hopkins opposed Huntington's plans for railroad expansion in 1878, believing that the new track would not generate profits for many years. However, at Huntington's insistence, Hopkins agreed to examine the area of the proposed expansion. Already on his sickbed, Hopkins traveled in a private railroad car to the California-Arizona border. While the car stood in a siding at Yuma, he died in his sleep on March 29, 1878. He left his $30 million estate to his wife Mary. Timothy, Hopkins's adopted son, later brought suit against Mary Hopkins's estate in order to obtain some of the money.

Legacy

California would be a less prosperous state without the transcontinental railroad. This railway enabled goods and people to move easily across the country. However, Hopkins and his colleagues were notorious "robber barons," charging such high prices to ship freight that they helped generate a populist revolt. The Big Four also corrupted the political process with bribes. Despite his quirks and personal frugality, Hopkins is essentially representative of the excesses of the Gilded Age.

—*Caryn E. Neumann*

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See also: John Insley Blair; Jim Brady; William Andrews Clark; Charles Crocker; Daniel Drew; John W. Garrett; Jay Gould; Edward H. Harriman; James J. Hill; Collis P. Huntington; George Mortimer Pullman; Russell Sage; Leland Stanford; William Thaw; William Henry Vanderbilt.

Huang Zhiyun

Chinese salt merchant and government official

Huang was one of the wealthiest of the Yangzhou salt merchants who made great trading fortunes in eighteenth and nineteenth century China. He built Ge Yuan, one of China's great gardens, since preserved as a cultural treasure.

Born: 1770; Zhaozhou, China
Died: 1838; Yangzhou, China
Also known as: Yunfen; Geyuan; Huang Yingtai; Geyuan Yunfen
Sources of wealth: Trade; government
Bequeathal of wealth: Children

Early Life

Huang Zhiyun (hwang zhee-yuhn) was born in 1770 in Zhaozhou, Hebei Province, China. His parents were from Zhejiang Province but moved to Zhaozhou, where Huang's father served as a magistrate. When Huang was fourteen his father died, leaving the family destitute. With a letter of recommendation from a friend of his father, Huang presented himself to an administrator in the flourishing salt industry of Lianghuai (now Jiangsu Province). Impressed with Huang's intelligence, the administrator gave Huang his first appointment as a bureaucrat in the imperial salt trade.

First Ventures

The province of Lianghuai was the site of one of China's great trading centers, the ancient city of Yangzhou. Located at the junction of the Chang (Yangtze) and Huai Rivers and the Grand Canal, Yangzhou linked north and south China. Yangzhou merchants exchanged rice, silk, salt, and other goods. Extracted from salt fields and seawater, salt was a lucrative commodity. Essentially a government monopoly, the salt trade made Yangzhou's salt imperial officials and merchants vastly wealthy. Between 1738 and 1804, salt merchants contributed more than 1.3 billion grams of silver to the imperial Qing government. Huang Zhiyun became a leading imperial official in charge of commerce in Lianghuai Province.

Mature Wealth

As a commerce chief and merchant in the Yangzhou salt industry for more than fifty years, Huang accumulated a great fortune. He spent his wealth to become a classic Chinese gentleman, bringing up his family according to Confucian norms. At great expense he hired one of China's leading Confucian scholars, Jian Pan, to educate his four sons, Huang Xiqin, Huang Shi, Huang Xiqi, and Huang Xixi, in the classic arts of poetry, calligraphy, and painting. (Huang Shi would become a noted compiler of classical Chinese texts.) Huang could afford to retain a Chinese opera troupe, with performances in the great hall of his home.

The greatest manifestations of Huang's wealth were his house and gardens. His home originally consisted of five structures arranged around central courtyards, with a reported two hundred rooms, including bedrooms, studies, children's rooms, embroidery rooms, banquet halls, and a great hall for theatrical events and the memorial tablets of Huang's ancestors. One story of Huang's refined tastes—and his means to satisfy them—relates that because Huang loved fresh bamboo shoots, a Chinese delicacy, his cooks would travel to a distant mountain with stoves and kitchen equipment. Once there, they would dig out the bamboo shoots, wash and cut them, stew them with pork, and return to Yangzhou to serve Huang his favorite repast.

Huang set his house in a ruined garden, Shouzhi Yuan, built by the painter-monk Shi Tao during the Ming Dynasty. In 1818, Huang had the garden landscaped into a scholarly retreat exemplifying Confucian tastes. Comprising almost six acres, Ge Yuan, as Huang's garden is known, contained three plots—one for his house, one for an exquisite bamboo garden, and one for a rock garden, with a variety of rocks arranged in different patterns to suggest the four seasons. Huang's house and gardens served as both an impressive site for his business administration and a private retreat for his family.

Legacy

Yangzhou merchants in the Qing Dynasty's imperial salt trade were wealthy enough to finance the compilation of classical literary works, and Huang's family contributed to this enterprise. The merchants also built some of the most beautiful gardens in China, of which the most famous is Huang's Ge Yuan garden. Preserved as a cultural attraction, Ge Yuan was promoted by the government in 1998 as one of Jiangsu Province's historic treasures, especially celebrated for its elaborate rock and sculpture gardens. Now a major tourist site of Yangzhou, Ge Yuan, along with Beijing's Summer Palace, the Chengde Mountain Resort, and the Zhouzheng garden in Suzhou, is classified as one of China's four great historic gardens. It is also a memorial of the wealth and noble aspirations of the Yangzhou salt merchants.

—*Howard Bromberg*

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See also: Heshen; Liu Jin; Ma Yueguan; Wu Bingjian.

H. L. Hunt

American oil magnate

Hunt, an oil tycoon, was the richest man in America in 1948. Using some of his wealth, he promoted his ultraconservative political opinions through newspaper columns, books, pamphlets, the radio program Life Line, *and the right-wing radio and television programs produced by his Facts Forum foundation.*

Born: February 17, 1889; Ramsey, Illinois
Died: November 29, 1974; Dallas, Texas
Also known as: Haroldson Lafayette Hunt, Jr.
Source of wealth: Oil
Bequeathal of wealth: Spouses; children

Early Life

Haroldson Lafayette Hunt, Jr. (HAR-uhld-suhn LAH-fee-eht huhnt), was the last of eight children born to Haroldson Lafayette Hunt, Sr., a farmer, and Ella Rose Myers Hunt, a teacher. Young Hunt received his schooling at home. At fifteen, he began traveling through Colorado, California, Arkansas, and Texas. To support himself, he worked as gambler, dishwasher, herder, farmer, and lumberjack. After his father's death in 1911 brought him an inheritance of $6,000, Hunt opened a gambling parlor and bought an Arkansas cotton plantation. In 1914, he married Lyda Bunker; the couple eventually had six children.

First Ventures

When the end of World War I caused a collapse in the cotton market, Hunt's assets plunged. He began new business ventures, developing an Arkansas oil well and working as an oil lease broker and real estate agent. By 1925, he was worth $600,000. Around the same time, he had an affair with Frania Tye, whom he may or may not have married and with whom he had four children.

By 1930, Hunt was nearly bankrupt as the result of business misfortunes, including a scarcity of oil strikes. However, he continued his oil speculation ventures, incorporating the Hunt Oil Company in 1936 and leasing and purchasing wells.

By 1942, his financial situation had improved. He owned nine hundred wells in eastern Texas, and he expanded his petroleum business into other parts of the state and country, eventually becoming the largest independent oil producer in the United States. His net worth was $20 million. The demand for oil during World War II enabled Hunt to open additional gasoline stations and to purchase a cattle ranch. *Fortune* magazine declared Hunt the richest man in America in 1948.

Mature Wealth

In the 1950's, Hunt, an adamant anticommunist and a right-wing conservative, used some of his assets to espouse his politics. He advocated assigning votes in American elections according to the amount of taxes one paid, denounced big government, and encouraged Senator Joseph McCarthy's search for Communists. From 1951 until 1956, he financed his own foundation, Facts Forum, which produced radio and television programs proclaiming his views. His self-published book *Alpaca* (1960) further expressed his political views, and Hunt personally sent copies of the book to world leaders. Another book, *Alpaca Revisited* (1967), and his *Life Line* radio programs also reiterated his positions.

In 1957, Hunt wed Ruth Ray, who claimed that her two children born before the marriage were Hunt's, and the couple subsequently had another two children. In the 1960's, Hunt began another business venture, HLH Products, which, among other things, manufactured foods and cosmetics.

In 1960, Hunt backed Lyndon B. Johnson's presidential campaign because of Johnson's support of the oil depletion allowance. However, when John F. Kennedy was nominated as the Democratic Party's presidential candidate, Hunt used his *Life Line* programs and his newspaper column, "Hunt for the Truth," to criticize Kennedy, to warn against Catholicism and Communists, and to urge support of the Republican presidential candidate, Barry Goldwater.

After President Kennedy was assassinated in Dallas, Texas, on November 22, 1963, the Federal Bureau of Investigation (FBI) questioned Hunt and some of his family about the murder. These investigations were triggered by Hunt's verbal attacks on Kennedy and the fact that Hunt's name was listed in the address book of Jack Ruby, the man who had killed Kennedy's alleged assassin, Lee Harvey Oswald. The allegations that the Hunts were involved in the assassination were never proven, but the family continued to receive death threats from those who disagreed with their political views and who believed they had participated in Kennedy's murder.

Toward the end of Hunt's life, this former gambler became a Baptist and encouraged others to set priorities and work to achieve them. He died on November 29, 1974.

Legacy

At his death, Hunt left an estate valued at $2 billion. His surviving two wives and numerous children and grandchildren spent years arguing about the distribution of his estate. Hunt's businesses continued after his death. He also left a political and social legacy, using his wealth to advocate conservative positions that would later gain greater acceptance and become an important element in American politics.

—Anita Price Davis

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See also: Vagit Alekperov; Hugh Roy Cullen; Edward L. Doheny; Henry M. Flagler; Calouste Gulbenkian; Armand Hammer; David H. Koch; Joseph Pew; Sid W. Richardson; John D. Rockefeller; William Rockefeller; Harry F. Sinclair.

Collis P. Huntington

American railroad magnate

Huntington accumulated one of the greatest fortunes created in the United States' railroad industry. Through investments of his assets in California business ventures and real estate, he helped to spur the early development of that state's economy.

Born: October 22, 1821; Harwinton, Connecticut
Died: August 13, 1900; Raquette Lake, New York
Also known as: Collis Potter Huntington
Sources of wealth: Railroads; real estate
Bequeathal of wealth: Spouse; relatives; museum

Early Life

Collis Potter Huntington was born to a New England family of modest means, although both his father and his mother had ancestral roots going back to the early colonial period in America. His father, William Huntington, was a tinker—a maker of kitchen housewares. Rather than seeing the relative poverty of his youth as a disadvantage, Huntington later noted that it allowed him to see the potential of the "homely work" that was near at hand, whereas young people with money and more formal education often overlooked such possibilities. When he was fourteen, Huntington began to support himself, working on a neighbor's farm for $7 a month plus room and board.

Collis P. Huntington. (The Granger Collection, New York)

FIRST VENTURES

After a few months working on the farm, Huntington had saved some money and entered his first commercial venture. In 1836, with a small amount of his own capital and a $3,000 line of credit from a New York bank, Huntington bought a supply of watches, watch findings, and clocks, and traveled throughout the eastern United States peddling these goods. Over a period of several years, he made enough from this business to repay his creditor and have the capital to start a general store in Oneonta, New York, with his brother Solon Huntington, in 1842.

In 1849, Huntington went to California during the gold rush. Although he often told the story of how one day of pick and shovel work in a mine convinced him to pursue other endeavors, he went to California with the intention of setting up a store to sell supplies to miners. He brought with him a supply of trade goods. To travel to California, he sailed by ship to Panama, crossing the isthmus overland and then sailing in another vessel up the West Coast. While in Panama waiting for a ship to California, Huntington bought a small vessel and made several local trading voyages; in three months, he more than quadrupled his capital for the California trade.

He settled in Sacramento, California, and went into the hardware business. In 1855, he formed a partnership with Mark Hopkins. Their firm, Huntington and Hopkins, became one of the largest businesses in California by 1860.

MATURE WEALTH

In Sacramento, Huntington and Hopkins became acquainted with Leland Stanford and Charles Crocker. Together these men, often called the Big Four, became the principal backers of the Central Pacific Railroad. In 1861, they invested $24,000 in this new rail line. In July, 1862, Congress passed the Pacific Railroad Act, which

THE HUNTINGTON LIBRARY

The Huntington Library in San Marino, California, was established in 1919 by Henry Edwards Huntington, the nephew and one of the principal heirs of Collis P. Huntington. In 1872, Henry Huntington had gone to work for his uncle in the management of the Southern Pacific Railroad, and in 1892 he moved to San Francisco in connection with this position. On his way to San Francisco, he visited the San Marino estate of J. DeBarth Shorb, a rancher, vineyard owner, and real estate developer. Huntington was greatly impressed with the beauty of this estate, and in 1902 he purchased the land. In 1911, he had a large Beaux Arts-style mansion built there, designed by the architect Myron Hunt. By the twenty-first century, this mansion housed one of the several art galleries that are part of the Huntington Library.

Huntington was an avid collector of books and manuscripts, especially those dealing with the history of California and of the American West. In 1910, he retired from business and spent the rest of his life building the collection of books and manuscripts that would form the basis of the Huntington Library's collection. Many important collections in the United States and Europe were purchased in their entirety. Huntington had agents throughout the world on the lookout for significant books or collections and for dealers that would offer him first choice of important items.

In 1913, Henry married Arabella Worsham Huntington, the widow of his uncle Collis P. Huntington. Arabella was an ardent collector of art, and she played a significant role in assembling the initial collections for the galleries at the Huntington Library. The Huntington family never made public how much was spent amassing the initial collections of the institution; some estimates suggest as much as $30 million. An endowment of $8 million was established for the ongoing support of the library.

The Huntington Library is a major resource for scholars and researchers, housing one of the finest collections of books and manuscripts in the United States, especially in the areas of California history, the gold rush era, and the American West generally. More than twenty authors of Pulitzer Prize-winning books have done research at the facility. The library publishes a quarterly research journal and awards more than one hundred grants a year through a peer review process to fund research at the institution.

Besides the library, the institution includes four major art galleries and a 120-acre botanical garden divided into more than a dozen special gardens. In the first decade of the twenty-first century, a partnership with Chinese landscape architects led to the creation of the most important Chinese garden in the Western Hemisphere. The library is also famous as home to the Ellesmere manuscript of Geoffrey Chaucer's *The Canterbury Tales* (1387-1400), Johann Gutenberg's Bibles, and many other rare manuscripts and books, as well as many seventeenth and eighteenth century European furnishings and paintings.

Educational programs at the Huntington Library serve more than twelve thousand students a year, and the institution as a whole has more than half a million visitors annually.

chartered the new Union Pacific Railroad to build the eastern end of a new transcontinental railroad. The Central Pacific was given the contract to build the western end of this line. The Central Pacific faced the daunting task of crossing the Sierra Nevada, and progress on this early stretch of the road was painstakingly slow. When the Central Pacific tracks met the Union Pacific line at Promontory, Utah, on May 10, 1869, the transcontinental railroad was completed.

It was railroading that provided the bulk of Huntington's fortune. His role in the building of the Central Pacific was to act as the eastern agent for the company. All the supplies and equipment for the railroad had to be purchased in the East and shipped by water to California. He also did a great deal of work selling bonds to help finance the construction of the railroad. Huntington undertook the political lobbying needed to protect the company's interests in Washington, D.C. He often spoke frankly (although privately) about the necessity of bribing officials to accomplish what he wanted. When some of his correspondence on these matters was revealed in court cases in the 1880's, many Americans came to regard Huntington as one of the preeminent "robber barons."

After the Central Pacific work on the transcontinental railroad was finished, Huntington wanted to sell his interests in the line. He could not find a buyer, so he believed he had no alternative but to operate the railroad in such a way as to make a profit and protect his investment in it. Throughout his career, Huntington reveled in the challenge of making an investment pay off. The man who did this, he believed, enriched not only himself but also society in general.

The Big Four eventually gained control of the Southern Pacific, another western railroad that had been built across the Southwest from El Paso, Texas, to Los Angeles. In 1885, the Central Pacific was merged into the Southern Pacific, and Southern Pacific became a major railroad serving the American West, eventually controlling nine thousand miles of track. With the wealth created by his initial investments in these Western railroads, Huntington eventually invested in other railroads, shipping lines, shipbuilding, coal mines, timber, and southern California real estate. In 1869, he bought a controlling interest in the Chesapeake and Ohio Railroad. Because of his interest in this railroad, he invested heavily in the building of the port and shipbuilding facilities at Newport News, Virginia. At the height of his career in the railroad industry, Huntington could travel from San Francisco to Newport News entirely on the track of lines that he controlled.

The exact size of Huntington's personal fortune was never made public. Toward the end of his life, when a journalist suggested the amount of $70 million, Huntington replied that this figure was about as good an estimate as any. In his later years, Huntington developed an interest in art, and when he died he left an impressive collection of art to the Metropolitan Museum of Art in New York City.

Huntington was married twice but had no children of his own. He raised his first wife's niece, Clara Elizabeth Prentice, after the child's mother died. His niece later married Prince Frances Hatzfeldt of a minor German noble family. After his first wife died, Huntington married Arabella Worsham in 1884. She had a son, Archie, from a previous marriage. Archie took the Huntington name and later became well known as a philanthropist and scholar.

Toward the end of his life, Huntington purchased a rural retreat known as Pine Knot, on Raquette Lake in the Adirondack Mountains of New York. He built a twenty-six-mile railroad spur to serve this camp. He was suddenly stricken ill there and died on August 13, 1900. Huntington left the bulk of his estate to his wife and to his nephew Henry Edwards Huntington, the son of his brother Solon. Henry Huntington later endowed the Huntington Library in San Marino, California, which eventually became the best-known recipient of gifts from the Huntington fortune.

Legacy

Although Huntington may never have envisioned a career in the railroad industry, he became one of the most important railroad moguls of his era. When he died, he controlled more miles of railroad trackage than any American ever had, and he had accumulated one of the greatest personal fortunes made in the railroad industry. However, his reputation as a ruthless competitor and his involvement in paying off politicians for favorable treatment of his business interests led to much criticism of Huntington's wealth. The Southern Pacific Railroad monopolized railroad transportation in California and became a favorite target of reformers and politicians. This line was often referred to as the Octopus because its tentacles controlled so much of the commerce of the state. While Huntington made relatively few charitable gifts during his lifetime, the Huntington Library created by his heirs became his major philanthropic legacy.

—Mark S. Joy

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Diego Hurtado de Mendoza

Spanish nobleman and military leader

With the inheritance of his parents and his two wives and aided by his own political moves, Hurtado de Mendoza became one of the most influential ricos hombres *(grandees) in the fourteenth century court of Castile.*

Born: c. 1367; Guadalajara (now in Spain)
Died: June, 1404; Guadalajara
Also known as: Admiral of Castile
Sources of wealth: Inheritance; marriage; government
Bequeathal of wealth: Children; relatives

Early Life

Diego Hurtado de Mendoza (DYAY-goh uhr-TAH-doh day mehn-DOH-sah) was born in Guadalajara around 1367, the eldest of eight children born to Pedro González de Mendoza and Aldonza López de Ayala. Members of the low Basque nobility, Hurtado's parents moved to Guadalajara, where their wealth increased with the rents and benefits granted by King Henry II of Castile in exchange for their support of Henry in his conflict with his half brother Pedro I. Their newfound wealth enabled his parents to live well and to purchase houses, estates, jewels, weapons, and horses. In 1379, Hurtado married Maria de Castilla, the illegitimate daughter of Henry II. The king contributed two towns to her dowry, while Hurtado's father gave the couple three villages.

First Ventures

After his father's death in the Battle of Aljubarrota in 1385, Hurtado became the head of the Mendoza clan, but he would come into his fortune only after his mother died in 1389. His uncle and tutor Juan Hurtado acted as the king's high steward before this position passed to Hurtado. An active supporter of the monarchs in the Trastámara Dynasty, Hurtado enjoyed great power at the royal court. He was granted positions, property, and privileges by the monarchy, and he came into abundant material wealth. According to author Fernan Perez de Guzman, Hurtado was an ambitious, intelligent, and troublemaking character. When King Henry III was still a minor, Hurtado, with the help of a group of ambitious noblemen, took over Guadalajara's sources of revenue.

Mature Wealth

In 1392, Hurtado was given the chief bailiwick, a position that granted the holder power over a town, village, or small region. Sometime before 1395, he was granted the right to appoint the *procuradores*, or members of Guadalajara's governing body, and to decide who would hold all public posts in this province, which resulted in the Mendoza family holding total power over Guadalajara and enabled them to increase their rents and lordly rights.

In the Madrid legislature in January, 1394, the king gave Hurtado the *real de Manzanares*, a large land grant in what is now the Spanish provinces of Segovia and Madrid. The king also appointed Hurtado to be the high admiral of Castile, and in this position Hurtado conducted successful maritime expeditions against the Portuguese in 1396 and 1397 and the Berbers in 1400.

Hurtado's first wife died soon after they were wed, and about 1395 he married Leonor de laVega, a member of an important Basque family, whose numerous properties in Biscay, Santander, and the Asturias of Santillana brought additional wealth into the Mendoza patrimony in the form of counties, towns, seigniories, pastures, salt mines, seaports, and other possessions. In June, 1404, after a painful illness, Hurtado died while he was decorating his magnificent palace. Aldonza, his daughter by his first marriage, and his cousin Mencia de Ayala, who reputedly was his lover, were his only company. His wife Leonor, tired of his infidelities, had moved with their children to Carrion.

Legacy

The estate and fortune built by Hurtado were in peril after his death. His children and his cousin Mencia were the main beneficiaries of his will, written in 1400, and codicil, written in 1404. A bitter legal battle ensued in which Leonor strived to secure her children's inheritance. It took Hurtado's son Iñigo López de Mendoza, the future marquess of Santillana, an entire lifetime to recover the family fortune.

It is difficult to quantify the value of Hurtado's estate. Suffice it to say that his will mentioned fifty properties, including five towns and ten villages. By the time of his death, the Mendozas, once members of the lower nobility, were at the heart of the Castilian aristocracy. The family started on its spectacular rise in both politics and society that would make them one of the most powerful and influential clans in Spain.

—Avelina Carrera

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See also: Nuno Álvares Pereira; Seventh Duke of Medina Sidonia; Juan Antonio Corzo Vicentelo.

Barbara Hutton

American heiress and socialite

Hutton, whom the press dubbed the Poor Little Rich Girl, dissipated her inheritance with her lavish lifestyle and seven failed marriages. However, she also contributed to charitable and artistic institutions and gave financial support to the Allies during World War II.

Born: November 14, 1912; New York, New York
Died: May 11, 1979; Beverly Hills, California
Also known as: Barbara Woolworth Hutton; Poor Little Rich Girl
Source of wealth: Inheritance
Bequeathal of wealth: Dissipated

Early Life

Barbara Woolworth Hutton was the only child born to Edna Woolworth (1883-1918), the daughter of Woolworth chain store founder F. W. Woolworth, and Franklyn Laws Hutton (1877-1940), the cofounder of the banking and stock conglomerate E. F. Hutton and Company.

Franklyn was abusive, a womanizer, and an alcoholic, and his wife Edna was very unhappy in her marriage. When Barbara was six years old, she found her mother's dead body on the parlor floor; Edna had died from the poison she had deliberately ingested. Franklyn did not want the responsibility of a daughter, so for a while Barbara lived with her aunt, the cereal heiress Marjorie Merriweather Post, and her cousin Dina Merrill, who later became an actor. Ticki Tocquet was Barbara's governess and principal caretaker. Barbara's closest friend and confidant was her cousin Jimmy Donahue, the son of her mother's sister.

Barbara Hutton. (Hulton Archive/Getty Images)

Hutton attended private schools from 1924 until 1928 in California and New York, graduating from Miss Porter's School for Girls in Farmington, Connecticut, in 1930. By the time of her graduation, Hutton had no close friends and a very poor self-image, despite her good looks and wealth.

First Ventures

In 1924, Hutton inherited $28 million from her grandparents, and her father invested the funds for her. By the time she was twenty-one, her investment had earned her $50 million. However, Hutton was unhappy, and she traveled, often with Tocquet for a companion, and sought happiness, social standing, and attention.

Plagued by poor physical and emotional health, Hutton sought happiness through marriages that would fail, alcohol, drug addiction, and lavish spending. In 1933, she married Prince Alexis Mdivani, a Georgian prince and polo player, who divorced Louise Astor Van Alen of the Astor family and received $1 million to marry Hutton. Hutton and the prince divorced in 1935, and the next day Hutton married a Danish count, Curt Heinrich Eberhard Erdmann Georg von Haugwitz-Hardenberg-Reventlow. Before their 1938 divorce, Barbara gave birth to her only child, Lance Reventlow. Hutton's marriage to the count ended after a beating that left her hospitalized and her husband in jail.

Mature Wealth

During the 1940's, Hutton contributed to the American and British Red Cross to support the Allies in World War II. She also donated her yacht and her London mansion to the United States government, helped promote the sale of war bonds, and donated money to the Free French Forces. She married actor Cary Grant, the third of her seven husbands, in 1942, and divorced him in 1945. Two years later, she wed Russian Prince Igor Troubetzkoy, a race car driver, and the couple lived in Tangier, where she established an education fund for needy students. Troubetzkoy tried unsuccessfully to help Hutton with her drug and alcohol addictions, but the couple divorced in 1951.

Her 1953 marriage to Dominican race car driver, polo player, and diplomat Porfirio Rubirosa lasted only fifty-three days. By now, the media had dubbed Hutton the Poor Little Rich Girl. However, her marriage in 1955 to German tennis star Baron Gottfried Alexander Maximilian Walter Kurt von Cramm provided her with some emotional support until their 1959 divorce. During her marriage to Prince Pierre Raymond Doan in the 1960's, her addictions worsened. Her physical, emotional, and financial conditions further deteriorated after her son Lance died in an airplane crash in 1972. Hutton died in self-chosen seclusion at the Beverly Wilshire Hotel in Beverly Hills, California, in 1979 at the age of sixty-six.

Legacy

Barbara Hutton, the Poor Little Rich Girl, spent her life seeking love. Her $50 million had dwindled to only a few thousand dollars at the time of her death. While she spent much of her fortune on her extravagant lifestyle, she made generous financial contributions to support the Allies during World War II. She also donated funds to the

Musicians Emergency Fund, New York Philharmonic, New York Foundling Hospital, Metropolitan Museum of Art, Whitney Museum, San Francisco Opera Company, and the Juilliard School.

—*Anita Price Davis*

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See also: Eighteenth Duchess of Alba; Brooke Astor; Caroline Schermerhorn Astor; Doris Duke; Marjorie Merriweather Post; Abby Aldrich Rockefeller; Consuelo Vanderbilt; Gloria Vanderbilt; F. W. Woolworth.

CARL ICAHN

American stockbroker, corporate executive, and corporate raider

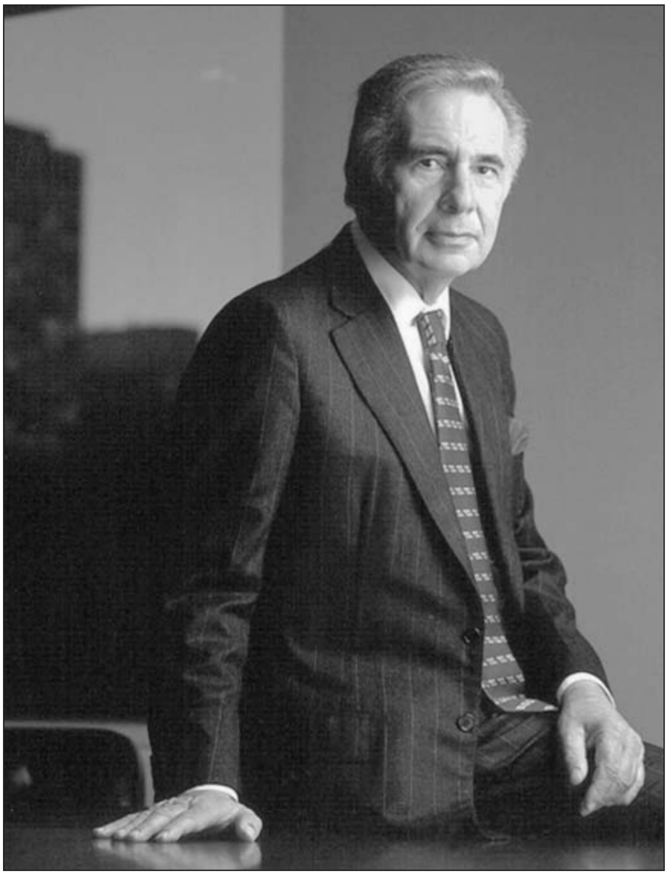
With a net worth estimated at $10.5 billion in 2010, Icahn remained active in business into his seventies. He was a notable philanthropist, financing such charitable enterprises as the Children's Rescue Fund and the Icahn Scholar Program at a New England preparatory school.

Born: February 16, 1936; Brooklyn, New York
Also known as: Carl Celian Icahn; Carl C. Icahn
Sources of wealth: Investments; real estate; horse breeding
Bequeathal of wealth: Spouse; charity

EARLY LIFE

Carl Celian Icahn (I-con) was born in 1936 to Michael Icahn, a lawyer and part-time cantor, and Bella Icahn, a schoolteacher in Bayswater, a middle-class neighborhood in the borough of Queens, New York, where Icahn was raised. The Icahns valued education. Both parents had disdain for what they considered the "robber barons" who lived north of them in Westchester County and Connecticut.

Young Icahn did not share their attitude, especially after he visited his uncle, Elliot Schnall, who had taken a wealthy wife and was installed by his father-in-law as president of the family-owned Cole Steel Company. The Schnalls displayed the outward vestiges of prosperity, such as a beautiful home, servants, and expensive cars. Once exposed to such luxuries, Icahn set his sights on living the high life, with his uncle as his role model. Icahn had an exceptional intellect combined with drive and ambition. After high school, he entered Princeton University, from which he graduated in 1957 with a bachelor's degree in philosophy.


Carl Icahn. (AP/Wide World Photos)

FIRST VENTURES

Icahn then entered New York University Medical School, but he soon discontinued his studies in favor of Wall Street, where he served an apprenticeship at the Dreyfus Corporation from 1960 until 1963. He then worked as an options broker for Tessel, Patrick, and Company, and from 1964 until 1968 he was an options trader with Gruntal and Company. These early experiences helped establish Icahn as a prime mover in the world of finance. In 1967, Icahn asked Schnall to lend him money so he could buy a seat on the New York Stock Exchange, estimating a seat would cost between $300,000 and $500,000. Icahn offered to reimburse Schnall at 8 percent annual interest, plus an additional $20,000 a year, during the course of the loan. Schnall had confidence in his nephew, who had already made Schnall money in options trades. Schnall gave Icahn a check with the amount left blank and authorized him to bid for the seat he wanted on the exchange and fill in the blank with the amount agreed upon, which turned out to be $400,000.

With this help, Icahn in 1968 was able to launch his own brokerage house, Icahn and Company, of which he was chairman and president. This company specialized in risk arbitrage and options trading, both chancy fields in which the risks are great but the rewards can be astronomical.

Mature Wealth

Icahn was like a shark smelling blood in dark waters, waiting to make its strike. He ferreted out large corporations that were in danger of failing. Indeed, some of them had already failed and were awaiting rescue by a white knight. In other cases, however, some companies could have survived without Icahn's intervention, but he pushed impatiently and was responsible for the ultimate failure of some of these firms. By 2007, Icahn's company held majority positions in five major companies, including his own Icahn Enterprises.

Beginning in 1978, Icahn, through Icahn and Company, took large, sometimes controlling, positions in more than two dozen companies, including RJR Nabisco, Phillips Petroleum, Western Union, Trans World Airlines (TWA), Viacom, Uniroyal Tires, Revlon, ImClone, Texaco, Gulf and Western, Samsonite, Time Warner, Motorola, Kerr-McGee, Fairmont Hotels, Marshall Field & Co., American Can Company, and Marvel Entertainment.

In the twenty-first century, Icahn attempted to take over Yahoo!, Inc., with the aim of ousting the company's chief executive, Jerry Yang, who had rejected Microsoft Corporation's offer to buy out his firm. If Icahn succeeded in ousting Yang, he could then clear the way for Microsoft to purchase control of Yahoo! under conditions favorable to the stockholders, including Icahn himself, who held about fifty million shares. With these shares in hand, Icahn announced on May 15, 2008, that he would soon direct a proxy fight to wrest control of Yahoo! from its present management. By July 21, 2008, however, Icahn had agreed to become a member of the board of directors of Yahoo!, with the stipulation that the company would expand the size of the board to eleven members, eight of whom were to stand for reelection immediately. Icahn would occupy one of the three unoccupied seats and would recommend people to occupy the two other vacancies. Such machinations are typical of how Icahn operates to gain control of the companies in which he has a strong financial position.

Icahn and Company held substantial positions in Nevada gaming companies. The firm's American Gaming Casino and Entertainment Properties had taken over four casinos in the late 1990's and early 2000's: Stratosphere Las Vegas, two Arizona Charlie's casinos in Las Vegas, and the Aquarius Casino Resort in Laughlin, Nevada. In February, 2008, Icahn sold these positions to Goldman Sachs for an estimated $1.3 million. Shortly thereafter, there was a precipitous decline in casino equities. As usual, Icahn walked away considerably richer than he was when he began accumulating these holdings.

Not all of Icahn's forced acquisitions have worked out. He attempted to take over Marvel Entertainment Group, the parent company of Marvel Comics, from Marvel's owner, Ronald Perelman, after Marvel went bankrupt in 1996. Dan Raviv's book, *Comic Wars: How Two Tycoons Battled over the Marvel Comics Empire—and Both Lost* (2002), provides a full account of Icahn's efforts. In 1997, after a long legal battle, Isaac Perlmutter, owner of the Marvel subsidiary Toy Biz, took control of Marvel, a defeat for both Icahn and Perelman.

Icahn often works quietly behind the scenes in his attempts to gain control of companies he considers taking over. An example of this is his purchase in 2004 of a huge

The Children's Rescue Fund

Carl Icahn, regarded by many as a fearsome corporate raider, has also been a generous philanthropist, as best exemplified by his work on behalf of the Children's Rescue Fund. Icahn established this foundation in 1988, and the organization initially had annual revenues of about $2.6 million. The fund's mission is to provide shelter for homeless families, particularly for pregnant women and their children.

The fund initially was housed in a sixty-five-unit complex in the Bronx borough of New York City. However, as the organization addressed the needs of the many homeless people seeking assistance, Icahn realized the necessity of expanding into other areas of New York. He subsequently opened Icahn House East and Icahn House West in Manhattan.

Icahn has also founded three charter schools, provides scholarships to students at the Choate Rosemary Hall preparatory school, and contributes to several other educational programs, and he takes a strong personal interest in these enterprises. He was able to combine his enthusiasm for raising outstanding thoroughbred horses with his desire to help the needy people who flocked to his charter schools and to the facilities of the Children's Rescue Fund. In the late 1980's, Icahn bought a valuable thoroughbred named Meadow Star that was training to be a racehorse. He promised that all of Meadow Star's winnings, plus any side bets he had made on the horse, would be allocated to the Children's Rescue Fund. In 1990 alone, Meadow Star garnered winnings of $992,250, establishing a record for a single season. In 1992, Meadow Star won eleven races out of twenty starts and earned an amazing $1,415,740, every penny of which went to the Children's Rescue Fund.

number of Mylan Laboratories' shares following Mylan's announcement that it planned to acquire King Pharmaceuticals. Icahn emerged from the sidelines with the threat of a proxy fight, contending that Mylan was offering too much money for King's shares. He also said that Mylan's chief executive officer was significantly overpaid and the company's administration was ineffective. In early 2005, Mylan abandoned its plans to acquire King. Mylan denied that Icahn's revelations about the company had influenced its decision to back out of the deal, but it is clear that this was not the case.

LEGACY

Many people whose careers were damaged or utterly destroyed by Carl Icahn's ruthless rapacity will remember him as a ferocious corporate raider. It is clear that Icahn regards his business transactions as elements of an enormous competitive game that he has learned to play almost flawlessly. Certainly he has little need to increase his personal wealth. Nevertheless, he revels in shrewdly engaging in complicated financial schemes. He has a deep understanding of finance, arbitrage, and the laws governing business transactions.

Many other people who have benefited from Icahn's widespread benevolence will remember him as a generous man with an obvious desire to help improve society. Among his charitable contributions, perhaps the most far-reaching is the Children's Rescue Fund. He has also made donations to enable Princeton University to establish a laboratory for genomic studies, called the Carl C. Icahn Laboratory. The Icahn Scholar Program at Choate Rosemary Hall, a New England preparatory school, covers the full expenses for ten needy students every year for the entire four years of their secondary education at a total cost of about $160,000 per student. In any given year, forty Icahn scholars are in residence at the school. Icahn has made large contributions to New York City's Mount Sinai Hospital, which has named the Icahn Medical Institute in his honor. Icahn Stadium on Randall's Island also bears his name, as does the Carl C. Icahn Center for Science.

—R. Baird Shuman

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See also: Bernard Cornfeld; Kirk Kerkorian; Michael Milken; Charles R. Schwab.

SAMUEL INSULL

Anglo-American electric utility magnate

Insull earned his fortune by developing the business model and infrastructure for the electrical system of the United States, profoundly changing the way Americans lived and worked. The collapse of his holding company after the 1929 stock market crash spurred legislation to prevent similar abuses in the electric utility industry.

Born: November 11, 1859; London, England
Died: July 16, 1938; Paris, France
Source of wealth: Utilities
Bequeathal of wealth: Spouse; children

EARLY LIFE

Samuel Insull (IHN-suhl) was born in London, England, on November 11, 1859. At age fourteen, he finished his formal education and apprenticed himself to a clerk. He held several clerking posts until he was twenty-one and met inventor Thomas Edison in London. Edison hired Insull to work as his personal secretary, and Insull immigrated to the United States in 1881 to assume the position. He so impressed Edison that Edison sent Insull to run the factory at the General Electric Company in Schenectady, New York.

FIRST VENTURES

Working at General Electric, Insull quickly learned the electricity industry, and he took on more responsibilities in Edison's various business ventures. When in 1892 a merger pushed Edison out of General Electric and the Western Edison Light Company became Chicago Edison Company, Insull was made president of the new company and moved to Chicago. At this time, electricity was very expensive and was considered a luxury. Chicago had about twenty power stations that supplied electricity to only about five thousand customers who could afford it. Insull invested $250,000 of his own money to buy out his competitors. In 1897, with the acquisition of the Commonwealth Electric Light & Power Company, he established the Commonwealth-Edison Company.

MATURE WEALTH

Insull realized that electricity would have to become more affordable in order for his company to provide service to a greater number of people. He upgraded the equipment in his utility's power stations, adding improved turbines to generate greater amounts of electricity. He increased the network of power lines in order to bring power to more of Chicago's neighborhoods. Because wealthy customers used most of their electricity in the evening hours, when they were home, Insull decreased the charge for use during daytime hours, providing small businesses and other customers with greater access to power. He gave free electrical appliances to households in order to encourage customers to use electricity. As he acquired more customers and more power stations, he used economies of scale to continue to lower the price of electricity, thus making it even more affordable.

Insull married twenty-four-year-old Margaret Ann Bird, an actor whose stage name was Gladys Wallis, on

Samuel Insull reads a newspaper article about his 1934 return from Europe in order to stand trial in Chicago for alleged antitrust violations and mail fraud. (N.Y. Daily News via Getty Images)

May 22, 1899, when he was thirty-nine. The couple lived in a mansion on the outskirts of Chicago and had one son, Samuel, Jr.

By the end of the 1920's, Insull's Chicago electrical monopoly earned about $40 million per year, employed more than six thousand workers, and served about half a million customers. He was involved in other utility ventures in thirty-two states that served more than four million customers. Insull financed the expansion of his utility business by selling stocks and bonds to more than one million middle-class investors.

However, his clients' investments were wiped out in the stock market crash of 1929, when Insull's holding company collapsed. With charges of antitrust and mail fraud looming, Insull and his wife fled to Greece. Insull returned to the United States to face the charges in 1934 and was acquitted, but his reputation was damaged and he lived out the rest of his life in Europe. He died of a heart attack in a Paris subway station on July 19, 1938. After his death, his wife returned to Chicago to be with her son and grandson.

Legacy

Samuel Insull is largely responsible for the development of the integrated infrastructure that provides electricity to millions of Americans—one of the major technological achievements of the twentieth century, with a profound influence on all aspects of American life. The failure of the holding company that financed Insull's utility ventures led to the enactment of the Public Utility Holding Company Act of 1935, which regulated utility holding companies in order to prevent another financial collapse of the industry.

Insull also financed the building of the Chicago Opera House. The film *Citizen Kane*, in which the lead character builds an opera house, is partially based on the lives of Samuel and Gladys Insull.

—*Polly D. Steenhagen*

Further Reading

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See also: Anthony N. Brady; James Buchanan Duke; Thomas Edison.

Iwasaki Yataro

Japanese corporate executive and financier

Iwasaki's ambition and organizational skills enabled him to develop what would become the second largest family-owned Japanese conglomerate during the late nineteenth and early twentieth centuries. The history of this company, the Mitsubishi zaibatsu, *parallels the development of modern Japan.*

Born: January 9, 1835; Tosa Province (now Kochi Prefecture), Shikoku, Japan
Died: February 2, 1885; Tokyo, Japan
Also known as: Yataro Iwasaki
Sources of wealth: Shipping; trade; banking
Bequeathal of wealth: Unknown

Early Life

Iwasaki Yataro (ee-wah-sah-kee ya-tah-roh) was born on January 9, 1835, in Tosa Province on the island of Shikoku, Japan. His grandfather was of samurai stock, but he sold his samurai status to pay his debts. Iwasaki's father was a farmer who owned some land and had tenant farmers. His mother, the daughter and sister of doctors, was literate and took an interest in the education of her son, and Iwasaki was a good student.

At age nineteen, Iwasaki worked in Edo (later renamed Tokyo) for the Tosa clan, which had business interests throughout Japan. His work was interrupted when his father was injured by the village headman. When his father's case was denied a court hearing, Iwasaki accused the magistrate of corruption, resulting in a seven-month jail sentence. During his time in jail, he mastered the use of the *soroban* (abacus). Upon release, he taught school for a year, and in this job he met another teacher, Toyo Yoshida, who introduced him to the idea that trade and industry could open up Japan to the outside world. On February 1, 1862, Iwasaki married a woman named Kise, and the couple had nine children, five of whom reached adulthood.

First Ventures

Soon after Iwasaki married, Toyo Yoshida was murdered. Iwasaki believed the custom of avenging death was pointless, even though some of his colleagues thought him cowardly. For three years, Iwasaki could find only menial jobs before finally becoming a clerk at the Tosa Industry Promotion Agency. A superior noted the quality of his work and took him to Nagasaki to work in the Tosa government's trading office in 1867. Because Tosa was revolting against the shogun, it amassed a huge debt by buying arms. Iwasaki managed to borrow money from an American trading firm and refinanced Tosa's debt. He was transferred to Ōsaka, but his dealings there were short-lived: The shogunate was overthrown and businesses were privatized.

Iwasaki agreed to acquire Tosa's debts in return for three steamships, six sailboats, and exclusive rights to sell Tosa's lumber, tea, silk, and coal. After a year, he bought more ships and established passenger and freight transport service between Tokyo and Ōsaka and between Kobe and Shikoku. During this time of transition from the Japanese feudal districts to prefectures, he also successfully traded in provincial currencies, enabling him to buy back the family's samurai status.

After the Meiji Restoration of 1868 abolished feudalism, Iwasaki went to Ōsaka, where he leased trading rights for the Tsukumo Trading Company, which became the Mitsubishi Commercial Company in 1870 and Mitsubishi Shokai in 1873. Iwasaki became the manager of the now privatized company. The fact that he took on the debts of the Tosa Province, a region controlled by the samurai, was noted by foreign merchants, who developed confidence in Iwasaki's integrity.

In 1874, Mitsubishi moved its headquarters to Tokyo and became the Mitsubishi Steamship Company. When the Japanese government needed ships to provide transport to Formosa (now Taiwan) for a military invasion, foreign shipping companies declined to help, as did the Japan National Mail Steamship Company. Mitsubushi, however, won the favor and protection of the now desperate Meiji government by agreeing to supply the needed ships and services.

Mature Wealth

Iwasaki's ability to gain the favor of the Meiji government became a springboard to his success. He quickly began to diversify, acquiring more ships and expanding the services of his company's passenger and freight services. He secured another military contract within Japan to provide the ships necessary to squelch a rebellion in Kyūshū. Iwasaki founded the Mitsubishi Transportation Company and was awarded a generous annual subsidy from the Japanese government to carry mail and supplies. This support enabled him to invest in more ships and to establish a Shanghai-Yokohama line; this venture was successful enough to outstrip two large foreign competitors. Iwasaki realized that whatever he did would not be effective if he did not provide excellent service to his passengers. By undercutting his competitors' prices and by offering more courteous service, Iwasaki continued to prosper. In true Japanese tradition, he also made it a point to entertain dignitaries lavishly and to cultivate business contacts and establish networks, and his favors were reciprocated.

Iwasaki began expanding and diversifying his business holdings in the early years of the Meiji era. The government decided to adopt the Western concept of joint-stock companies. Under the guidance and instruction of the government, Iwasaki participated in the early transplantation phase, during which the Kawase Kaisha (exchange bank) and the Thusho Kaisha (trade company) were restructured along the lines of Western banks. These businesses would eventually develop into the Mitsubishi Bank and the Mitsubishi Warehouse and Transportation Company.

In 1871, acting as both a public administrator and a private entrepreneur who owned the Tsukumo Shokai company, Iwasaki leased two coal mines; when their owners were unable to pay for a ship they had purchased from him, the mines were turned over to Iwasaki in 1874 as partial restitution. In 1873, he also acquired the Yoshioka copper mine for 10,000 yen. This mine was especially profitable, partly because it used prison laborers. In later years, when the shipping companies were struggling, more than 90 percent of Mitsubishi's earnings would be generated by the mines and a new shipping company. Venturing into the educational field, Iwasaki founded the Mitsubishi Nautical School in 1875; it became the Tokyo Nautical School in 1882, and in 1949 it was renamed the University of Mercantile Marine, offering both undergraduate and graduate studies in various aspects of marine science and technology.

Iwasaki was also part of a group of entrepreneurs who founded the insurance company that would become the Tokyo Marine and Fire Insurance Company in 1879. The firm had the distinction of being the first non-life insurance company in Japan. In later years, it would also provide automobile insurance.

By 1881, Iwasaki's business friends and supporters had been ousted from the government by his detractors, who established a rival company, the Cooperative Transport Company (KUK in Japanese). Mitsubishi and KUK became involved in a price war in 1883, resulting in severe financial losses. Realizing that if the companies went bankrupt the coastal shipping business could well revert to foreign companies, the two firms began negotiations that would result in a merger. Just days later, however, Iwasaki died of stomach cancer when he was only fifty years old. As he lay dying, he expressed his regret at having achieved only one-third of his goals, and he asked his brother Iwasaki Yanosuke to take the helm at Mitsubishi until Hisaya, his eldest son, was ready to take on the responsibility of running the company.

ZAIBATSU

While Iwasaki Yataro did not live to see the ultimate fruits of his ambition, his name is inextricably associated with the Mitsubishi *zaibatsu*. The literal meaning of the word *zaibatsu* characterizes Iwasaki's vision: *zai* means wealth and *batsu* means a powerful person or family. Iwasaki named his enterprise Mitsubishi in 1873 and began to acquire a variety of businesses that would be mutually beneficial. His admonition to "worship the customers" sometimes rankled his samurai workers, who were unaccustomed to bowing to others, but Iwasaki told them not to think of this act as bowing to inferiors but rather as bowing to money, or to the customers who provide revenue. Following this principle, his business thrived, and by 1895, he had outstripped two of the old and respected giants of the day—Mitsui, which was established in 1673, and Sumitomo, founded in 1590. The annual incomes of the major *zaibatsu* in 1895 paled in comparison to the income of Mitsubishi, which was 1,084,000 yen. This figure was far larger than the incomes of rival companies, with Mitsui earning 529,000 yen, Sumitomo earning 156,000 yen, Yasuda earning 94,000 yen, Okura earning 65,000 yen, and Furukawa earning 62,000 yen.

When Iwasaki died in 1885, having just lost control of his shipping company, he was succeeded by his brother, Iwasaki Yanosuke, who rebuilt the organization around mining and shipbuilding, while also expanding into banking, insurance, and warehousing. One of his most important transactions was the purchase of eighty acres of swampy land next to the Imperial Palace in Tokyo (now Marunouchi) for about the equivalent of $1 million. By the early years of the twenty-first century, his investment was worth many billions of dollars.

In 1893, Iwasaki's son Hisaya, who was educated at the University of Pennsylvania, became president of Mitsubishi. He restructured the company and continued to diversify its holdings, as did his nephew Koyata, who took the helm in 1916 and played a major role in modernizing Japanese industry. The conglomerate eventually created three entities: Mitsubishi Bank, which after mergers became Japan's largest bank in 2004 with assets of more $700 billion; Mitsubishi Corporation, Japan's largest general trading company as of 2007, with about twenty-nine core companies and more than twenty related organizations; and Mitsubishi Heavy Industry, which includes Mitsubishi Motors, Japan's sixth-largest automobile manufacturer, with 1.3 million cars in 2007; Mitsubishi Atomic Industry; and Mitsubishi Chemical, Japan's largest chemical company.

LEGACY

Iwasaki Yataro developed the skills of attracting, developing, and working with prominent men. He broke with traditional Japanese business practices by not assuming that seniority was always a determinant of power and by not automatically assigning teams to perform work at his businesses. He also did not approve of having managers but felt that the sole authority and responsibility rested with the owner of a business. These practices, to Iwasaki, were "progressive" and "Western." Using these principles made it possible for him to start out as a poor samurai and become the head of the leading industry in Japan within fifteen years, outstripping two powerful conglomerates that were two centuries older than his own company.

—*Victoria Price*

FURTHER READING

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See also: Mitsui Takahira; Mitsui Takatoshi; Yasuda Zenjirō; Yodoya Tatsugorō.

Daniel Willis James

American mining and railroad company executive

James was the senior partner of the Phelps, Dodge mining company and a director of the Great Northern Railway, owning a major stake in both firms. With his extensive fortune, he became one of the nation's leading philanthropists, making major benefactions to the Children's Aid Society of New York and the Union Theological Seminary.

Born: April 15, 1832; Liverpool, England
Died: September 13, 1907; Bretton Woods, New Hampshire
Also known as: D. Willis James
Sources of wealth: Mining; railroads; investments
Bequeathal of wealth: Spouse; children; charity

Early Life

Daniel Willis James was born in Liverpool, England, in 1832, the eldest son of Daniel and Elizabeth Phelps James, both Americans. His father Daniel was a partner in the major American metals firm of Phelps, Dodge and Company, and his mother Elizabeth was the daughter of Anson Phelps, who headed the firm. With the Industrial Revolution transforming the American economy, Phelps, Dodge became a leading metals trading company. While attending boarding schools in England and Scotland, young James was being prepared to take a position in the Phelps firm.

First Ventures

In 1849, at the age of seventeen, James moved to New York to begin work at Phelps, Dodge. In 1854, he married Ellen Stebbins Curtiss. That same year, he became a junior partner in Phelps, Dodge, with a 5 percent interest in the firm; by 1859, his interest increased to 12 percent. James also began investing in the burgeoning railroad companies of the West and South, becoming a leading shareholder in the railroads that would eventually comprise the Great Northern Railway.

At this time, James also began his extensive philanthropic endeavors, which he would continue for his entire life. In 1863, James became a trustee of the Children's Aid Society of New York, which sought to place orphaned and destitute children with families rather than in institutions. In 1867, James became a director of the Presbyterian Union Theological Seminary in New York.

Mature Wealth

In 1873, James's ownership of Phelps, Dodge had grown to 18 percent. By 1878, he was the senior partner of the firm and helped take it in a new direction. The focus of Phelps, Dodge's business shifted from trading in metals to mining and manufacturing them. In 1881, the firm took operation of a copper mine in Arizona and was soon one of the leading producers of the coal, copper, iron, and steel necessary for the rapid growth of the railroads. Operating mines and factories throughout the Southwest and Mexico, Phelps, Dodge became one of the nation's industrial giants, able to compete with mining conglomerates like that of the Guggenheim family.

James also became a leading investor and director of the Great Northern Railway, one of the most aggressive railway lines in the nation. James J. Hill, known as the "Empire Builder," was the head of the railway, and James became one of Hill's strongest supporters. In 1882, James joined the Great Northern board of directors, bringing to the railroad the expertise he had acquired in iron and steel manufacturing and in finance at Phelps, Dodge. He served on the board until 1889. James persistently counseled moderation and consolidation to the bold-minded Hill, but in the end he always supported Hill's ventures. When Hill, a Protestant, was criticized for making a large donation to a Roman Catholic cemetery, James staunchly defended him, even though James was a leading benefactor of Protestant seminaries. In 1887, Hill named the town of Williston, North Dakota, for Daniel Willis James.

In 1901, Hill made his most aggressive move yet, forming the Northern Securities Company with J. P. Morgan, Edward H. Harriman, and John D. Rockefeller. Northern Securities was a holding company designed to gain control of the nation's major railroads. James was appointed to the company's first board of directors and made a vice president. When President Theodore Roosevelt launched a prosecution of the holding trust, Hill and James came to its vigorous defense. Nevertheless, in 1904 the U.S. Supreme Court found Northern Securities to be in violation of the Sherman Antitrust Act, a major political victory for the trust-busting Roosevelt.

With his mining and railway investments, James was one of the wealthiest men in America. He lived with his wife and son Arthur in a Manhattan mansion at 40 East Thirty-ninth Street. He increased his philanthropic work, donating continually to the Children's Aid Society over a forty-year period. He was a trustee of the society from 1863 to 1907 and its president from 1892 to 1901. In the 1880's, the society developed Coney Island as a fresh-air site for convalescing children. James donated $10,000 to build the Health Home at Coney Island for mothers of sick children. He also funded the James drinking fountain in New York's Union Square Park. He made several donations to the town of Madison, New Jersey, where he had a summer home. He financed construction of a park there in 1887, since named for him, and a free library in 1899; the Madison James Library, an outstanding example of Richardson Romanesque revival architecture, is on the National Register of Historic Places. James also became a trustee and benefactor of Amherst College, where his son Arthur was a student.

In addition, James served on the board of the Presbyterian Union Theological Seminary for more than forty years. In the last years of his life, he gave $2 million to the seminary to enable it to relocate near Columbia University in Manhattan's Morningside Heights neighborhood and to become a nondenominational institution. At the time it was the largest gift ever made to a school of theology.

James died of a heart attack in 1907 while vacationing at the Mount Washington Hotel in Bretton Woods, New Hampshire. His estate was appraised on March 28, 1908, at almost $27 million (approximately $3 billion in 2010). The estate consisted of about $14 million in shares of mining stock, about $9 million in Great Northern and other railway shares, about $2 million in shares of Phelps, Dodge, and about $1.5 million in New York real estate. His will left equal shares of $12.4 million to his widow and son and almost $1.2 million to various charitable and religious institutions. He was eulogized as the "merchant philanthropist" by *The New York Times* and other newspapers. In contrast, the muckraking journalist Gustavus Myers in his *History of Great American Fortunes* (1910) attacked James for building his fortune through "incessant frauds."

James's son, Arthur Curtiss James, expanded his inheritance into a $60 million fortune by 1918. At his death, he left the bulk of his estate to found the James Foundation. During the foundation's twenty-five-year

Children's Aid Society of New York

Daniel Willis James did not found any major philanthropic enterprise but he was critical to the success of many. Perhaps the charity to which he was most attached was the Children's Aid Society, founded by Charles Loring Brace in New York City in 1853. Brace was a progressive minister who believed that the institutional care then provided to orphans and abandoned children stunted their emotional and physical development. He believed that children benefited from a strong family connection, not from being institutionalized, a theory since embraced by modern practice. Brace organized an Orphan Train to transport New York's street and orphaned children to family farms across the United States. The Orphan Train movement is considered the forerunner of the modern foster care system and served more than 200,000 homeless children from 1853 to 1929. In the 1850's, the Children's Aid Society established the first free school lunch program in the United States, the first industrial schools for boys, and an educator-family collaborative program that was the forerunner of modern parent-teacher associations.

James was involved with the Children's Aid Society from 1863 until his death in 1907, and he was helpful to its success. He was a generous benefactor throughout the years, and his terms as trustee and president of the society no doubt attracted gifts from like-minded businessmen and philanthropists. James also founded the society's Health Home on Coney Island for mothers of sick children. After his death, his widow continued supporting the society, and in 1913 she donated $300,000 for a school in the Little Italy neighborhood of New York.

Over the course of the twentieth century, the Children's Aid Society continued to pioneer new efforts on behalf of children. It opened numerous schools with such innovative features as school nurses, free dental clinics, nutrition programs, day care nurseries, kindergartens, and teen counseling centers. It ran the first schools for disabled and convalescent children, established family homemaker services to assist ill mothers, and operated fresh-air camps for urban, ill, or special-needs children. The first Head Start classes were conducted in the society's centers in 1965. During the 1980's, the organization began offering services to children and homeless families in New York's welfare hotels. The society established its first community schools in 1992, providing a wide range of community and government services to its students.

In the twenty-first century, the Children's Aid Society remained one of the most important private child service agencies in the country. At any one time it served more than 150,000 children at more than forty-five sites in New York. It continued to offer comprehensive services in prenatal care, health and nutrition, adoption and foster care assistance, family education, recreational opportunities, housing assistance, and jobs and college preparatory training.

history, it is estimated to have granted more than $144 million to philanthropy.

Legacy

The career of Daniel Willis James reflects the great wealth and controversies created by the leading American industrialists of the late nineteenth century. Phelps, Dodge began as a mercantile trading firm, dependent on trade with Great Britain. With James's guidance, it transformed itself into an industrial powerhouse, mining and manufacturing copper and other metals. With his capital, James became a major financier of railroad growth, supporting Hill and other so-called robber barons in forming the largest railroad trust, broken up by President Theodore Roosevelt to the great enhancement of Roosevelt's reputation and popularity.

Whatever the sources of James's fortune, it cannot be denied that he was one of the great American philanthropists in the late nineteenth and early twentieth centuries. The Children's Aid Society and Union Theological Seminary in particular counted him as one of their major benefactors.

—*Howard Bromberg*

Further Reading

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See also: John Insley Blair; William Andrews Clark; Jay Cooke; Charles Crocker; Marcus Daly; Daniel Drew; James G. Fair; James Clair Flood; John W. Garrett; Jay Gould; Edward H. Harriman; F. Augustus Heinze; James J. Hill; Collis P. Huntington; John William Mackay; Andrew Mellon; J. P. Morgan; William S. O'Brien; George Mortimer Pullman; John D. Rockefeller; Russell Sage; Leland Stanford; William Thaw; Cornelius Vanderbilt; William Henry Vanderbilt.

William Jardine

British trader and politician

Jardine amassed vast wealth in the China trade during the early nineteenth century, founding a company that would eventually become a major Hong Kong-based conglomerate. As a member of Parliament, Jardine successfully lobbied to involve Great Britain in the First Opium War (1839-1942) and to establish Hong Kong as a British colony.

Born: February 24, 1784; Lochmaben, Scotland
Died: February 27, 1843; London, England
Sources of wealth: Trade; narcotics trafficking
Bequeathal of wealth: Relatives

Early Life

William Jardine (JAHR-deen) was born in Lochmaben, Scotland, on February 24, 1784. Although his family was not wealthy, funds were available for Jardine to attend Edinburgh Medical School, from which he was graduated at the age of eighteen. Jardine impressed his instructors as a quick learner gifted with energy. These characteristics rendered the young Jardine highly suitable for employment in the British East India Company, and he began working there after acquiring his surgeon's certificate from the Royal College of Surgeons. Initially serving as a medical officer, Jardine soon took advantage of opportunities afforded by his employment with the world's premier trading firm. He leased cargo space aboard the company's ships for his initial forays into trade, and he quickly secured friendships with other energetic young men who were also keen to learn the business of trade and make their fortunes.

First Ventures

For the next fifteen years, Jardine remained in the employ of the British East India Company. During this time, he established friendships with the most able men throughout the company's tea, silk, and opium routes in Asia. His constant attention to the wisdom of more seasoned traders, along with his own ability to plan his business transactions, enabled Jardine to amass considerable wealth.

In 1817, Jardine resigned his position with the British East India Company in order to start his own business. His first venture was to form a trading partnership with two other men, Thomas Weeding and Framjee Cowasjee. Although Jardine, Weeding, and Cowasjee were partners in the firm, the success of their company depended heavily on the numerous contacts and trading agents with whom Jardine had formed alliances during his early career.

Mature Wealth

Jardine's phenomenal success in trade can be traced to two skills: First, Jardine's ability to keep his assets liquid permitted him to take advantage of opportunities that required substantial capital at the beginning of a venture. Second, Jardine's contacts and the boundless trust that they placed in him gave him access to the most important opportunities in the world of trade. Thus, Jardine was soon invited to join Hollingworth Magniac and James Matheson, two of the most formidable traders in China. In 1832, their firm was renamed Jardine Matheson & Company, and the company would be the foundation of Jardine's future success.

In 1836, Jardine and Matheson began to advance the idea that Hong Kong should be established as a British colony. Their company purchased land in Hong Kong and built offices there. When the China trade was threatened by Chinese isolationist policies in the late 1830's, Jardine realized that the survival of his company required his direct involvement in politics. In 1839, Jardine left China to convince the British to employ force against the Qing emperor in order to open trade, especially the importation of opium from India. British ships began hostilities with the Chinese in 1839 during the First Opium War.

Although Jardine's health failed rapidly in the last year of his life, he worked ably until his death to secure a profitable future for the company he had founded. In 1841, he was elected to the House of Commons, representing Ashburton in Devon. In 1842, only months before Jardine died, the Chinese signed the Treaty of Nanjing, ending the First Opium War with China, opening China trade, and making Hong Kong a British colony. The future of Jardine Matheson & Company was secure.

Legacy

William Jardine's foresight assured the success of his company. Childless, Jardine willed his shares in his company to his nephews, who became important members of the corporation. Jardine Matheson & Co. focused on diversifying its holdings. Increasingly, the company built infrastructure in Hong Kong and mainland China, becoming a leader in construction, engineering, and agriculture, as well as other fields.

In the twenty-first century, the Jardine Matheson Group is a large conglomerate with highly diversified companies, including such well-known interests as Astra International, an Indonesian-based company involved in the automotive, financial services, heavy equipment, mining and energy, agribusiness, and information technology businesses, and Mandarin Oriental, an international hotel investment and management group. Members of the Jardine family are still involved in various aspects of the company.

—*Wells S. Hansen*

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See also: John Palmer; David Sassoon; Richard Thornton; Wu Bingjian; Sir David Yule.

STEVE JOBS

American computer and media magnate

Jobs is one of the pioneers of the personal computer industry, cofounding Apple Computer, Inc., with Stephen Wozniak. He was also the principal owner of Pixar, a computer animation company, and after the Walt Disney Company acquired Pixar, he became the single largest stockholder in the Disney company.

Born: February 24, 1955; San Francisco, California
Also known as: Steven Paul Jobs
Sources of wealth: Computer industry; investments
Bequeathal of wealth: Spouse; children; charity

EARLY LIFE

After the biological parents of Steve Jobs gave him up for adoption, Paul and Clara Jobs of Mountain View, California, became his parents and named him Steven Paul. In 1967, his family moved to nearby Los Altos, where Jobs met Stephen Wozniak, who was five years older.

Jobs attended Cupertino Junior High School and Homestead High School in Cupertino, California. After graduating in 1972, he attended Reed College in Portland, Oregon. Although he dropped out of Reed after only one semester, he was allowed to audit classes there.

FIRST VENTURES

While he was still in high school, Jobs attended after-school lectures at the Hewlett-Packard Company in Palo Alto and worked there with Wozniak as a summer employee. In 1974, Jobs returned to California, where he attended meetings of the Homebrew Computer Club with Wozniak and became a technician at Atari, one of the first manufacturers of video games. After a trip to India, he returned to Atari, where, with Wozniak's help, Jobs worked on his most important project, a circuit board for the game Breakout.

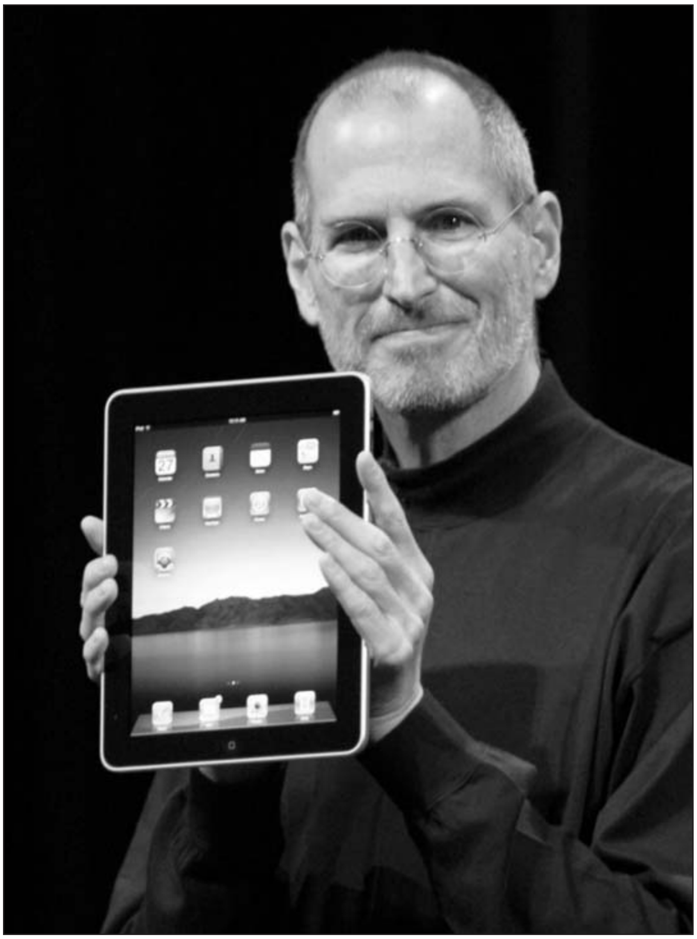
Jobs and Wozniak started Apple Computer, Inc., in 1976. Their first product was the Apple I, a circuit board for home computers that they sold for $500 apiece. Apple I was designed for hobbyists, who were required to supply all the other parts for their home computers.

MATURE WEALTH

Jobs and Wozniak introduced the Apple II personal computer in 1977, and it became the first successful mass-market computer. In 1984, Jobs introduced the Macintosh, the first successful personal computer with a graphical user interface.

Jobs lost control of Apple in 1985 and sold all but one of his shares in the company by 1986. He used much of the proceeds to start another computer company, NeXT, Inc. This company's primary products, the Cube and the NeXTStation, were technologically advanced but never succeeded as business computers because they were too expensive. NeXT later became a computer software company.

In 1986, Jobs used his severance package from Apple to buy The Graphics Group (later Pixar) from film director George Lucas. Pixar, a computer animation company, contracted with the Walt Disney Company in 1991 to produce computer-animated feature films in return for financing and distribution from Disney. The first film produced by this partnership, *Toy Story* (1995), was both a



Steve Jobs unveils the iPad, which went on sale April 3, 2010. (AP/Wide World Photos)

commercial and critical success. Over the next decade, Pixar produced *A Bug's Life* (1998), *Toy Story 2* (1999), *Monsters, Inc.* (2001), *Finding Nemo* (2003), *The Incredibles* (2004), and *Cars* (2006). All were hits. In 2006, Disney acquired Pixar, and Jobs became the Disney company's single largest shareholder with about 7 percent of the firm's stock.

Apple acquired NeXT in 1996, and Jobs became Apple's chief executive officer six months later. Apple adopted much of NeXT's software, especially NeXTSTEP, which became the Macintosh operating system. Under Jobs's leadership, Apple produced the iMac computer, introduced in 1998; the iPod, a portable device for storing and playing audiofiles, introduced in 2001; the iTunes media player software, also introduced in 2001; the iPhone cell phone, introduced in 2007; and the iPad, a thin, 9.7-inch, tablet-like computer, introduced in 2010.

LEGACY

Steve Jobs headed companies that revolutionized their industries by creating innovative new products. The Apple II, when combined with Visicalc, the first spreadsheet, was the first personal computer to become widely used in business, and when educational software became available, Apple II was the first personal computer to become widely used in education. The Macintosh was the first personal computer to use a graphical user interface, and the Macintosh combined with Aldus Pagemaker software to create the desktop publishing sector of personal computing. Pixar was the first computer animation company to produce feature-length films, and the iPod was the first portable device to store thousands of songs digitally. Although Apple did not invent the concept of downloading music from the Internet, by 2003 the iTunes Music Store was responsible for 70 percent of legal music downloads. *Fortune* magazine selected iTunes as the product of the year in 2003. In 2007, *Fortune* named Jobs the most powerful person in business and two years later named him the chief executive officer of the decade.

—*Thomas R. Feller*

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Sergey Brin; Mark Cuban; Michael Dell; Walt Disney; Larry Ellison; Bill Gates; Gordon E. Moore; David Packard; H. Ross Perot.

John of Gaunt

English aristocrat, military leader, and landholder

Born into the English royal family, John of Gaunt gained vast expanses of land by marrying a duke's daughter and eventually inheriting her father's property. Thus, by birth and marriage, he became the richest Western European who was not a monarch.

Born: March, 1340; Gaunt, Flanders (now Ghent, Belgium)
Died: February 3, 1399; London, England
Also known as: Duke of Lancaster; Earl of Richmond; Earl of Derby; Earl of Lincoln; Earl of Leicester; Duke of Aquitaine
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Spouse; children; government; church

Early Life

A younger son of King Edward III of England and his wife, Philippa of Hainault, John of Gaunt (gawnt) was born in the Flemish city of Gaunt in March, 1340, and moved to England with his mother that November. After his early childhood, he came under the guidance of his beloved older brother, Edward, the Black Prince, who probably trained him in knighthood. Gaunt took part in a military campaign in France as early as 1352.

First Ventures

The most significant financial event in Gaunt's life, besides his birth to a king and queen, was his marriage in May, 1359, to Blanche, a daughter of Henry of Grosmont, the first duke of Lancaster. With her married sister Maud, Blanche was the coheir of her father's enormous English estates, the majority of which were located in the north of the country. In the fall of 1359, Gaunt was in France because his father, a member of the French-speaking house of Plantagenet, continued to assert a claim to the French throne, and it was probably at this time that Gaunt first led troops in battle. His father-in-law died in 1361, and through Blanche, Gaunt obtained the earldoms of Lancaster, Derby, and Lincoln. In April, 1362, Maud died childless, and Gaunt, as Blanche's husband, inherited Maud's portion of his father-in-law's property. Seven months later, King Edward installed Gaunt as the new duke of Lancaster.

Mature Wealth

Gaunt continued to manage property and wage war. He used a hierarchy of assistants to help him manage his landholdings, and some of these employees kept detailed records of his income and expenses. His annual income from various sources, including rents and taxes, was enormous, and at one time was as high as £7,000. Gaunt's expenses, however, were also enormous. He paid wages to numerous servants and, in accord with custom, entertained lavishly. He also spent huge sums as a wartime commander. Although the Crown pledged to send him money from collected taxes, reimbursements were usually slow, and he often had little cash.

In 1368, Blanche died, ending a happy marriage. Three years later, Gaunt wed Constance, a daughter of the deposed and murdered king of Castile. Through her, Gaunt claimed to be the Castilian king, thus increasing his unpopularity among many English commoners, who objected to his adultery with Katherine Swynford during his marriage to Constance and thought he epitomized aristocratic oppression.

During the Peasants' Revolt of 1381, a mob destroyed Gaunt's palace just outside London and would likely have killed him had he been there. Later in the 1380's, Gaunt tried but failed to take possession of Castile. However, he arranged for Catalina, his daughter by his marriage to Constance, to marry King Henry III of Castile, and he received a monetary settlement. In 1390, King Richard II, Gaunt's nephew and the son of Edward, the Black Prince, named Gaunt the duke of Aquitaine. In 1396, two years after Constance's death, Gaunt married his longtime lover, Katherine Swynford, in the hope of having their children retroactively legitimized. Gaunt died on February 3, 1399.

Legacy

Through his will, Gaunt left bequests to King Richard II and the Church and provided amply for his widow and children. The largest beneficiary was Henry Bolingbroke, Gaunt's oldest son, who inherited the dukedom of Lancaster and three earldoms. In 1398, King Richard had exiled Bolingbroke for six years. Two days after Gaunt's burial, Richard declared Bolingbroke's exile lifelong and seized his estates. Bolingbroke responded by leading retainers from France to England, where they landed in July, 1399, and soon, having gained support, overwhelmed Richard's force. Capturing Richard (and eventually, it seems, having him murdered), Bolingbroke declared himself King Henry IV. Thus, Gaunt, who during his life was a powerful nobleman, a protector of the proto-Protestant John Wyclif, and a patron of the poet Geoffrey Chaucer, became a king's father after his death. Since 1399, every English monarch, through one line or another, has been a descendant of John of Gaunt.

—*Victor Lindsey*

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See also: Sir John Fastolf; John Hawkwood; William Sevenock.

John H. Johnson

American publisher and businessman

Johnson turned a $500 loan into a $300 million fortune, eventually becoming one of the most successful African American businesspeople and one of the wealthiest people in the United States. His business ventures created new opportunities for African Americans and helped establish a more positive image of black people.

Born: January 19, 1918; Arkansas City, Arkansas
Died: August 8, 2005; Chicago, Illinois
Also known as: John Harold Johnson
Sources of wealth: Media; manufacturing
Bequeathal of wealth: Spouse; children; charity

Early Life

John Harold Johnson, the son of Leroy and Gertrude Johnson, was born in rural Arkansas City, Arkansas, in 1918, a third-generation descendant of slaves. His father died in a sawmill accident when Johnson was six years old. His mother, who later married James Williams, worked as a washerwoman and a cook for the laborers in the levee camps along the Mississippi River. After finishing eighth grade at Arkansas City Colored School, Johnson chose to repeat it because there was no high school for African Americans in his community. In 1933, his mother decided to join the migration of southern blacks to the North, hoping for a better life during the Great Depression. The family settled in Chicago and found themselves dependent on welfare for two years. His mother subsequently worked in a New Deal public works program, and Johnson found a part-time job in the National Youth Administration.

First Ventures

Johnson attended Du Sable High School, where he made the honor roll and served as student council president and editor of the school newspaper and the class yearbook. Graduating in 1936, he was offered a scholarship that would pay his tuition to attend the University of Chicago. He was invited to speak at an Urban League dinner, where he met Harry H. Pace, the president of the Supreme Life Insurance Company. Pace offered Johnson a job that would pay his living expenses, and Johnson accepted. Johnson worked as a part-time office boy for the *Guardian*, the company's in-house newsletter. Within two years he became the newsletter's editor. One of his duties was to look for newspaper articles concerning issues of interest to the black community and report what he found to Pace. It was this job at the large African American-owned business that gave Johnson the dream of starting some kind of publishing business.

Johnson attended college part time, but after a while he decided to discontinue his studies. In 1941, he married Eunice Walker. Having no children of their own, they later adopted two children: a son, who died of sickle cell anemia at the age of twenty-five, and a daughter named Linda. Johnson finally came up with the idea of publishing a magazine called *Negro Digest* patterned on the *Reader's Digest*. When none of the banks would lend him money, his mother let him use her furniture as collateral. As a result, the Citizens Loan Corporation agreed to lend him $500. With this seed money to buy postage and with Pace's permission to use the Supreme Life mailing list, Johnson asked twenty thousand insurance policyholders for $2 each to subscribe to what was still a nonexistent magazine. After three thousand people subscribed,

The Johnson Publishing Company

Johnson Publishing Company was created by John H. Johnson with the launch of his first magazine, *Negro Digest*, in 1942. This publication had been discontinued by the twenty-first century, but some of the company's other magazines continued to exist, notably *Ebony* and *Jet*. Started in 1945, *Ebony* was a monthly publication about African American life and achievements presented in both words and photographs. Its first press run of twenty-five hundred issues sold out within hours, and another twenty-five hundred copies had to be immediately printed in order to meet public demand.

While *Ebony* had a healthy circulation, it suffered from lack of advertising. Many black-oriented magazines that were founded before *Ebony* had quickly failed because they lacked revenue from both subscriptions and advertising. Together with William P. Grayson, who had sold advertising for the *Baltimore Afro-American*, a black newspaper, Johnson managed to secure advertising accounts with major corporations, such as General Motors, Chrysler Corporation, and Sears, Roebuck and Company. The advertisements in *Ebony* featured black models in order to appeal to African American customers. In 1964, *Ebony* grossed $5.5 million in advertising revenue. *Ebony*'s success led other American businesses to realize the importance of the multimillion-dollar African American consumer market, which has grown from about $15 billion during the 1960's to $773 billion in 2010. In another effort to improve *Ebony*, Johnson hired administrative staff, as well as journalists and photographers, from other black periodicals. The magazine's press run gradually grew from twenty-five hundred to more than two million, and its readership grew from 125,000 to more than 9 million per issue.

In 1951, Johnson started publishing *Jet*, which remains the country's only news-oriented weekly for black Americans. In its early years, the magazine aimed at covering world and domestic events that affected African Americans. Like *Ebony*, its first issue was an instant success, and it quickly sold 300,000 copies a week. *Jet* evolved into a general interest magazine, with black entertainers featured on its cover and plenty of celebrity gossip within. When Johnson died in 2005, *Jet* had a circulation of almost one million and more than nine million weekly readers.

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the first issue of *Negro Digest* was published in June, 1942.

Johnson's office was located in a room in the private law office of Earl B. Dickerson on the second floor of the Supreme Life building. Since his magazine was unknown, he turned to his friends and fellow workers for help. They went to newsstands on Chicago's South Side and kept asking for the magazine, convincing distributors to take on *Negro Digest*. When the magazines appeared at the newsstands, Johnson's friends and colleagues returned and bought all of the issues with Johnson's money, thus creating another cycle of supply and demand. Johnson repeated this scheme in other cities, such as Detroit, New York, and Philadelphia. Articles in *Negro Digest* were concerned with racial issues and provided aspiring African American writers the chance to contribute and be published. Later on, the magazine published a series of articles, "If I Were a Negro," written by whites. After First Lady Eleanor Roosevelt contributed to the series, *Negro Digest*'s circulation rose to 50,000 a month, eventually reaching a maximum of more than 100,000.

Mature Wealth

After founding *Negro Digest*, Johnson published a number of other magazines during the following decade. *Ebony*, founded in 1945, and *Jet*, first published in 1951, continued to be widely read into the twenty-first century, but some of his other magazines—*Hue*, *Copper*, *Tan*, *Ebony Africa*, and *Ebony Jr.*—enjoyed only temporary success and were eventually discontinued. *Negro Digest*, which became *Black World*, was also discontinued when its circulation declined to fifteen thousand a month. In 1985, Johnson founded *Ebony Man*, or *EM*, which covers men's fashions, grooming, and fitness. Johnson published not only magazines but also books by African American authors. His company's first book was published in 1963, and he eventually issued more than forty titles in various genres. His autobiography, *Succeeding Against the Odds*, published in 1989, was a best seller.

In addition to *Ebony* and *Jet*, two other important products helped contribute to Johnson's wealth—the Fashion Fair shows and Fashion Fair Cosmetics. Fashion Fair, which for many years was directed by his wife Eunice Johnson, is considered the world's largest traveling fashion show and continued to be staged into the twenty-first century. Johnson produced his first fashion show in 1956, when he was asked to sponsor a mini-fashion show fund-raiser for a New Orleans hospital. He created Fashion Fair two years later, and the fashion shows eventually traveled to almost two hundred cities every year, with more than four thousand shows presented in the United States, the Caribbean, Jamaica, and

London. The show attracts hundreds of thousands of people every year.

Fashion Fair Cosmetics originated because there was a need for makeup for the dark-skinned models who participated in Fashion Fair. Since such companies as Revlon and Estée Lauder were not interested in manufacturing makeup for women of color, Johnson turned to a private laboratory that created the first chemical formulas for the models. To sell his cosmetics to the public, Johnson promptly produced a mail-order package called the Capsule Collection in 1969. Fashion Fair Cosmetics was established four years later and remained the world leader in makeup and skin care products for women of color. In 2010, the firm's products were sold in fifteen hundred stores in the United States, Canada, France, the Caribbean, and other countries. Johnson also launched Supreme Beauty Products, two hair care products for men called Duke and one for women named Raven.

Johnson increased his wealth by investing in the communications business. He acquired three radio stations: WJPC-AM in Chicago, Illinois, in 1972; WLOU-AM in Louisville, Kentucky, in 1982; and WLNR-FM in Lansing, Illinois, in 1985. His radio broadcasting company, Johnson Communications, had estimated annual sales of $1.6 million. Johnson also was a major shareholder in *Essence*, a magazine for African American women. In 1974, he acquired a majority interest in Supreme Life Insurance and later became chairman and chief executive officer of the company.

Thanks to his prosperous businesses, Johnson was able to buy an office building on Michigan Avenue, a prestigious location in Chicago, becoming the first black businessman to be located in the city's "loop." After forty years in business, Johnson became the first African American to appear on the *Forbes* magazine Rich List in 1982, with his fortune estimated at about $500 million. He never disclosed his personal holdings, but he was estimated to have about $150 million in 1990. Some trappings of his wealth included a Rolls-Royce; a mountaintop home in Palm Springs, California; and a condominium on Chicago's Lake Shore Drive. Johnson was the recipient of numerous awards and honors, and he held a number of positions in civic and business organizations. Besides being inducted into several halls of fame, he received the Medal of Freedom Award for giving black Americans a voice through his publications. In 2003, he donated $4 million to Howard University, which named its school of communications after him. Since their founding, his Fashion Fair shows have provided more than $50 million worth of scholarships for African American students.

Johnson died in 2005 of congestive heart failure at the age of eighty-seven. He was survived by his wife Eunice Johnson, who died in 2010, and his daughter Linda Johnson Rice, who serves as chair and chief executive officer of Johnson Publishing, which remained a family-owned business.

Legacy

John H. Johnson's life was truly a rags-to-riches story. He had the courage to dream and the intelligence to accept the opportunities that made his dream come true in the face of segregation and racism. With creativity, determination, and business savvy, he developed a leading black-owned publishing company and other successful businesses, all of which were privately held, family-owned, and family-operated. He blazed the trail for other black-oriented magazines, such as *Black Enterprise*, *Essence*, and *Emerge*. He also played a key role in launching and promoting the careers of a large number of African American professionals in publishing and advertising. By showcasing black culture in a positive light through *Jet* and *Ebony*, he created a legacy that celebrated the achievement and beauty of African Americans.

—*Anh Tran*

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See also: Walter Annenberg; Barbara Cox Anthony; Elizabeth Arden; Michael Bloomberg; Anne Cox Chambers; Katharine Graham; Robert L. Johnson; Reginald F. Lewis; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; Helena Rubinstein; Ted Turner; Madam C. J. Walker; Oprah Winfrey.

Robert L. Johnson

American media and entertainment mogul

Johnson's entrepreneurial success earned him the distinction of being the first African American billionaire, making him a model for other black Americans and demonstrating the opportunities for success that are open to African Americans.

Born: April 8, 1946; Hickory, Mississippi
Also known as: Robert Louis Johnson
Sources of wealth: Media; entertainment industry
Bequeathal of wealth: Unknown

Early Life

Robert Louis Johnson was born on April 8, 1946, in Hickory, Mississippi, to Edna and Archie Johnson. There were ten children in the family, and he was the ninth. Shortly after his birth, Johnson's family moved to Freeport, Illinois. He graduated from Freeport High School in 1964. Johnson was the only child in his family who attended college. He studied history and political science at the University of Illinois and received a B.A. degree in 1968. In 1969, he married Sheila Crump, whom he had met while studying at the University of Illinois. He attended graduate school at Princeton University and received an M.A. in public affairs in 1972. After completing his education, he moved to Washington, D.C.

First Ventures

Johnson began his career by working for the Corporation for Public Broadcasting and the National Urban League. In 1973, he became press secretary to Congressman Walter Fauntroy, who was the first representative from the District of Columbia. In 1976, Johnson accepted a position with the National Cable Television Association, becoming a lobbyist for the cable television industry. He soon realized that the industry lacked programming for the African American audience. While continuing to work as a lobbyist for the next three years, he began developing a business plan aimed at providing cable programming for African Americans. Through his work as a lobbyist, he met an individual who was trying to establish a cable network that targeted elderly viewers. Johnson became convinced that a specialized cable network for African Americans had enormous possibilities as a business venture. In order to finance his project, he obtained a bank loan of $15,000.

In 1980, he founded Black Entertainment Television (BET) with his wife, Sheila Crump Johnson. Using cable television slots loaned to him by Bob Rosecrans, the president of UA-Columbia Cable Vision, Johnson broadcast his first program on January 8, 1980. At first, the single cable network aired only two hours of music videos every day. Johnson realized that for his cable network to be successful he would need to invest $500,000 in his company. He obtained additional funding from his friend John Malone, who at the time was the chief executive officer of Tele-Communications, Inc. Malone invested $180,000 in BET and loaned Johnson $320,000. Johnson retained control of BET and followed a business plan based on keeping operating expenses as low as was reasonably possible while continually expanding the company. By 1985, his cable network was a profitable business. BET provided twenty-four-hour programming aimed specifically at African American households. By 1991, the company was so successful that it became the first African American-owned company to be listed on the New York Stock Exchange, with Johnson offering stock in his company to the public.

Mature Wealth

In 1996, BET became the first African American-controlled network airing films. In 1998, Johnson bought back all of the publicly traded BET stock at a premium, and the company returned to private ownership under the name BET Holdings, Inc. From the small cable company broadcasting two hours of music videos per day, BET had grown to an enterprise with five major cable channels and an audience consisting of 90 percent of all of the African American households in the United States. In 2001, Johnson sold BET Holdings to Viacom, an entertainment corporation, for $3 billion in stock; he remained chief executive officer and chairman of BET Holdings, the parent company of BET. Johnson divided the $3 billion worth of stock equally with his then-wife and business partner Sheila Crump Johnson. The sale of BET made them the first African American billionaires.

During the time that Johnson owned BET Holdings, he had already begun to diversify his business activities by acquiring a significant interest in the publishing firm Vanguard Media. After the sale of BET, Johnson continued to expand his involvement in a wide variety of businesses by founding RLJ Companies, an umbrella group investing in media, entertainment, sports, real estate, the hotel industry, and gaming, as well as in retail automobile dealerships, banking, and private equity. Still acutely aware of the economic opportunities available in underserved and underappreciated markets, Johnson targeted the African American market in his various business ventures. RLJ Companies holds major interests in several companies, including Urban Trust Bank, RLJ Development, RLJ Equity Partners, Caribbean CAGE LLC, and Our Stories Films. In 2009, *Black Enterprise Magazine* cited Urban Trust Bank, which has branches in Washington, D.C., and Florida, as the fastest-growing African American-controlled bank in the United States. RLJ Development, a real estate investment company, has significant investments in 124 hotels located in major North American markets.

One of Johnson's most successful companies is Caribbean CAGE LLC, his gaming and lottery company, headquartered in St. Thomas, Virgin Islands. The company installs, manages, and operates video lottery terminals in the Caribbean and Latin America and is also involved in online lotteries. In an effort to increase its video lottery terminal business, Caribbean CAGE is affiliated with Hard Rock International, Inc., which is owned by the Seminole tribes of Florida. In July, 2009, the firm invested in the Hard Rock Café to be built at the Aqueduct Race Track in New York; four months later, Hard Rock became an investor in Caribbean CAGE.

Johnson further internationalized his business ventures with the establishment of RLJ Kendeja Resorts and Villas. This company owns a four-star hotel near

Black Entertainment Television

Robert L. Johnson acquired his initial wealth from the creation of Black Entertainment Television (BET), which targeted African American viewers. Johnson believed there was a market for a cable television channel that addressed the African American community as a specific group. Borrowing funds and convincing individuals to invest in his proposed business, he established a cable television entertainment network that produced the financial means for him to become a highly successful entrepreneur. By reinvesting his money in various business ventures, he became the first African American billionaire.

The founding of BET also created an entertainment venue specifically for the African American community. From its initial two-hour broadcast of music videos, the network expanded to provide twenty-four-hour programming, offering a range of music videos, films, situation comedies, fashion shows, talk shows, news coverage, and history programs. Since the establishment of the BET Awards in 2001, BET has recognized the achievements of African Americans and members of other minorities for their accomplishments in various entertainment fields, especially in music, acting, and sports. The awards program is broadcast on the BET channel.

Johnson expanded his African American-oriented entertainment business in 2006 with the creation of Our Stories Films. This company produces films of special interest to African American families. Each film has a production budget of between $5 and $7 million. Our Stories Films not only provides entertainment to the African American public but also creates an opportunity for African Americans to work both before the camera and behind the scenes in the entertainment field, which has become an area of both artistic and financial success for many African Americans.

Johnson's wealth has enabled him to provide entertainment beyond the confines of the African American community. In 2003, he purchased a professional basketball team, the Charlotte Bobcats, and the following year he created a cable television network providing sports coverage and entertainment programming to the Charlotte, North Carolina, area.

While Johnson's entry into the cable television market was based on his desire to achieve financial success, he has always been concerned with opportunities for the African American community, both as a market to be served and as a group seeking personal and financial success. His wealth has enabled him to respond to these concerns by creating venues for African American employees, as well as black consumers.

Monrovia, Liberia. This seventy-eight-room hotel situated on the Atlantic coast provides accommodations to both tourists and business travelers and is the first such hotel to be built in West Africa.

From his first venture with BET, Johnson has been involved with the entertainment business, and he has diversified his business to include a range of entertainment-related enterprises. In the 1990's, he became interested in sports and wanted to own a National Basketball Association (NBA) franchise. In 2003, he was able to purchase the Charlotte Bobcats, an NBA team that made its debut in the 2004-2005 season. In 2004, Johnson also began operating a regional cable sports and entertainment channel, the Carolina Sports Entertainment Network, or C-SET. In 2006, former basketball player Michael Jordan joined the Charlotte Bobcats as a part owner and manager of the team. On March 17, 2010, the NBA approved Jordan's offer to pay $275 million in order to own 80 percent of Bobcats Sports and Entertainment. Jordan's purchase price was less than the $300 million that Johnson had paid for the team, and by some estimates Johnson may have lost as much as $100 million on the basketball franchise.

In 2006, Johnson entered another area of the entertainment business. In partnership with film producers Harvey and Bob Weinstein, he founded Our Stories Films, the first film production studio with a majority African American ownership. The company targets the African American family market and produces family-oriented and urban comedy films. The company also provides jobs for African Americans in all areas of the film industry, from writing scripts and acting to technical production and a wide variety of support positions.

Legacy

Robert L. Johnson has made an important contribution to the African American community and to the larger American society through his own achievements and through the opportunities he has provided to other black Americans. His success in overcoming racial, social, and economic obstacles to become the first African American billionaire demonstrates what an individual can achieve through effort and perseverance. By targeting the black audience in his various entertainment-related businesses, he has demonstrated the significance of black culture and the economic importance of African American consumers. By providing employment opportunities for African Americans in his various companies, he has enabled black people to make a contribution to the entertainment industry and to attain their own wealth.

—*Shawncey Webb*

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See also: Walter Annenberg; Barbara Cox Anthony; Michael Bloomberg; Anne Cox Chambers; John H. Johnson; John Kluge; Rupert Murdoch; Samuel I. Newhouse; Ted Turner; Oprah Winfrey; Tiger Woods.

Robert Wood Johnson II

American health care corporation executive

Johnson combined business savvy with a credo that placed the interest of consumers, employees, and community above those of shareholders to build the multibillion-dollar company Johnson & Johnson. Johnson also founded the Robert Wood Johnson Foundation, the largest health care foundation in the United States.

Born: April 4, 1893; New Brunswick, New Jersey
Died: January 30, 1968; New Brunswick, New Jersey
Also known as: The General
Sources of wealth: Inheritance; manufacturing; sale of products
Bequeathal of wealth: Spouse; children; foundation

Early Life

Robert Wood Johnson II was the oldest of three children born to wealthy entrepreneur and druggist Robert Wood Johnson and wife Evangeline Armstrong Johnson. Young Robert was partially reared by a governess, and he attended the Episcopal Church with his mother and siblings, including an older stepsister. He and his father spent many hours together, going to business meetings at his father's company, Johnson & Johnson, and on hunting trips. By age six, Johnson wore a tuxedo to social functions with his father. Johnson was encouraged to be a role model for his siblings. He was a serious young boy and quick learner, attending Rutgers Preparatory School when he was five years old. At age sixteen, his life changed dramatically when his father died from complications of Bright's disease.

First Ventures

While in high school, Johnson visited his father's factories and offices in New Brunswick, New Jersey, studying the family business. Johnson's father and uncle founded Johnson & Johnson in 1886 to sell sterile sutures, dressings, and bandages to treat patients' wounds. In the summer, Johnson worked at the company factory, now managed by his uncle James Johnson. Rather than go to college, Johnson decided to join the company, though his mother objected. He agreed to compromise by attending school and working part-time but soon the work hours became dominant. Johnson started in the company's lowest job and worked his way up. On his twenty-first birthday, he was elected to the Johnson & Johnson board of directors, and the following year he was promoted to a supervisory role in the factory. In 1918, Johnson agreed to serve on the bureau council for Highland Park, New Jersey, and two years later he was the town's mayor.

Mature Wealth

As stipulated by his father's will, Johnson became a major shareholder in Johnson & Johnson at age twenty-five. When his Uncle James became president of the company in 1910, its sales revenue was almost $3.9 million. By 1920, that figure increased to almost $15.2 million.

Robert Wood Johnson II. (AP/Wide World Photos)

The Robert Wood Johnson Foundation

Robert Wood Johnson II was a generous philanthropist. On Christmas Day, 1936, he established the New Brunswick Foundation with twelve thousand shares of stock in his company, Johnson & Johnson. The foundation initially assisted people in New Brunswick, New Jersey, during the Great Depression. In its early years, Johnson was the organization's president and its only contributor. With his interest in health care, Johnson mobilized the foundation to provide noninterest loans for young men in New Brunswick who wanted to become physicians. Not long after it was founded, Johnson provided $1.2 billion to the renamed Robert Wood Johnson Foundation (RWJF). He later bequeathed his shares of his company's stock, valued at $300 million, to the foundation, and by the time his will was out of probate, the value of these shares had soared to $1.2 billion.

By the twenty-first century, RWJF, based in Princeton, New Jersey, was the largest philanthropic enterprise dedicated to the betterment of health care in America. Its Web site states that it seeks to improve "both the health of everyone in America and their health care" by focusing on the way health care is delivered, paid for, and "how well it does for patients and their families." In accordance with its founder's vision of public service, the foundation describes itself as "stewards of private funds that must be used in the public's interest," adding that its "greatest asset isn't our endowment; it's the way we help create leverage for change."

RWJF makes grants available to individuals and organizations working in seven program areas. One area, described as "building human capital," seeks to attain a "diverse, well-trained" health and health care leadership and workforce "to meet the needs of all Americans." Efforts to alleviate childhood obesity, expand and improve health care coverage, create innovative ideas and projects that may lead to breakthroughs in health care, and improve the performance of public health services are also the focus of its grants, as are efforts to provide a higher quality of health care and to meet the emerging health needs of communities. In 2008, RWJF provided almost $523.3 million to finance one thousand grants and contracts in these program areas.

The foundation is particularly interested in health care reform, seeking to expand coverage, improve the quality of care, reduce costs, and emphasize prevention. In its 2008 annual report, physician Risa Lavizzo-Mourey, the foundation's president and chief executive officer, presented a Blueprint for Change, describing twelve symptoms of the ailing American health care system. The foundation's principles for health care coverage include affordable coverage for all Americans; appropriate and effective services to provide essential care; high-quality and cost-effective care; continuous care through the human life cycle; portable care that will enable Americans to retain coverage when they transfer to another job or move to a new geographic location; and a shared responsibility for coverage among the public sector, private industry, and individuals in the United States. RWJF does not suggest how lawmakers should act upon these principles. Instead, it sees its role as uncovering critical issues, such as health care coverage, and making sure these issues reach the political agenda, so the government and RWJF can move forward in national discussions for the good of the American people.

Johnson & Johnson continued to experience growth in its products and revenue. World War I brought additional business opportunities, with the company supplying bandage supplies to the American and Allied armed forces and to civilian hospitals. During the war years, the firm's factory operated seven days a week in order to keep up with the demand for gauze, bandages, and adhesive plaster, and new products were produced to treat war wounds and minimize infection. In 1918, a worldwide flu epidemic struck the United States, killing up to 675,000 Americans. In response, Johnson & Johnson manufactured gauze masks to minimize the spread of the deadly virus.

After James Johnson became ill with leukemia, Robert moved to gain control of Johnson & Johnson's common stock. The company continued to release new products to the market, such as toothpaste in collapsible metal tubes, baby cream, baby powder, and Band-Aid bandages. Johnson & Johnson aligned with drugstores in order to sell company products to consumers. Johnson dedicated more of his time to marketing and sales, and eventually he began marketing company products worldwide. In February, 1927, Johnson was elected to the company's board of directors. The company was careful not to overproduce its products, which helped it remain solvent during the Great Depression. While employees at many other companies lost their jobs, Johnson & Johnson was able to maintain its workforce during the economic crisis.

When James Johnson died in October, 1932, Robert took over as president and general manager of Johnson & Johnson. Johnson decentralized corporate management, allowing company divisions to exercise autonomy, and the firm changed its name to the Johnson & Johnson

Family of Companies. Johnson also declared that businesses had a moral obligation to serve society.

He sought to obtain higher wages and to reduce work hours for his employees at a time when many workers were underpaid and overworked. He warned that the only way to correct the economy was to put people back to work, which he maintained was more effective than government welfare programs. His philosophy of corporate social responsibility distanced Johnson from many other industrial executives. In May, 1938, Johnson assumed the chairmanship of Johnson & Johnson's management board. By then, company sales had risen from $11 million to $700 million under Johnson's leadership.

After the Japanese attack on Pearl Harbor in December, 1941, Johnson accepted a proposal from the New Jersey governor to assist the state's war rationing program for civilians. During World II, he was a brigadier general in charge of the New York Ordnance District, and he continued to be called "the General" for the rest of his life. Johnson resigned from the ordnance district after President Franklin D. Roosevelt named him the vice chairman of the War Production Board and the chairman of the Smaller War Plants Corporation.

By nature, Johnson was a generous man, known for making a lot of money and giving large sums of money away to good causes. Johnson & Johnson remained lucrative, diversifying into new product lines, such as personal care, surgical packs, and baby care. In 1936, Johnson gave twelve thousand shares of the privately owned Johnson & Johnson stock to establish the New Brunswick Foundation. A short while later, he gave $1.2 billion from his personal estate to this organization, renamed the Robert Wood Johnson Foundation (RWJF).

Johnson was a man of great stamina and energy. However, when he noticed he tired more easily and sometimes had pain in his shoulder blade, he went to Roosevelt Hospital in New York for a checkup. An X ray revealed a tumor in his left lung that was inoperable. He was treated with antitubercular drugs but did not improve. He then started a five-week course of radiation therapy for his cancer. He died on January 30, 1968, at the age of seventy-four.

The executor of his estate found a U.S. Treasury bond for $1 million in Johnson's safe-deposit box that was used to pay inheritance taxes, which obviated the need to sell Johnson's stock in Johnson & Johnson. Johnson had willed his stock, valued at $300 million, to RWJF, and the remainder of his estate went to his wife Evie and his children. By the time his will was out of probate, the value of the stock had grown to almost $1.2 billion.

Legacy

Robert Wood Johnson II came from wealth that his father had earned through hard work and ingenuity. Johnson spent his entire career working in the family business, Johnson & Johnson, starting at the lowest job and attaining the top leadership position. Johnson established the company credo—a belief that business should serve the customer, employees, and community before its shareholders so that all parties could benefit. During his career at Johnson & Johnson, Johnson brought many useful health and personal care products to the consumer market worldwide. His legacy, the establishment of the Robert Wood Johnson Foundation, continues to benefit Americans' health care.

—*Marylane Wade Koch*

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See also: Thomas Holloway; Jay Van Andel; William Weightman; Henry Wellcome.

OTTO KAHN

American banker, investor, and art collector

Kahn, an influential investment banker and generous supporter of numerous arts organizations and performers, was the model of an enlightened capitalist and an effective spokesman for Wall Street interests after the 1929 stock market crash.

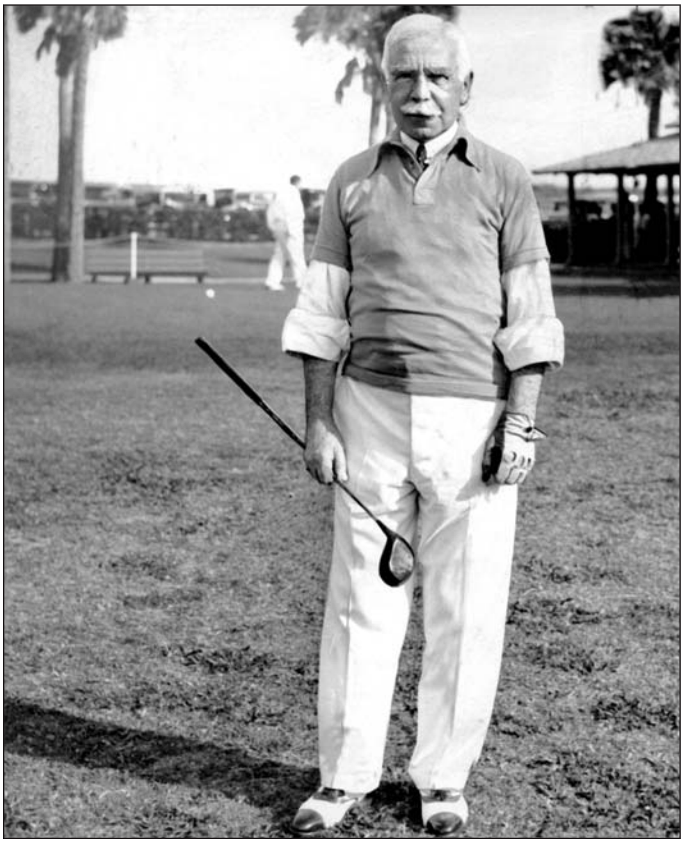
Born: February 21, 1867; Mannheim, Baden (now in Germany)
Died: March 29, 1934; New York, New York
Also known as: Otto Hermann Kahn
Sources of wealth: Banking; investments
Bequeathal of wealth: Children; relatives; artistic patronage

EARLY LIFE

Otto Hermann Kahn (kahn), the son of Bernhard and Emma (née Eberstadt) Kahn, was born to a Jewish family in Mannheim, Baden (now in Germany), in 1867. His father was a prominent banker and industrialist who had lived in the United States for a time after fleeing a death sentence for his role in the 1848 revolts that had swept Europe. Young Otto, one of nine children, was brought up in a very comfortable and cultured household, and as a teenager he was apprenticed to a bank in the city of Karlsruhe. By seventeen he was a clerk there and could begin to indulge his love of music, theater, and art, which would become a lifelong passion.

FIRST VENTURES

A few years later, Kahn went to work in the Deutsche Bank in Berlin and was soon transferred to one of its London branches, becoming a naturalized British citizen. Five years later, in 1893, Kahn was offered a position in New York, and he immigrated to the United States, becoming an American citizen in 1917. When he was thirty he became a member of the private banking firm of Kuhn, Loeb and Company, considered second only to J. P. Morgan's company in its influence. In 1896, shortly before he joined the firm, he had married the wealthy daughter of one of the company's partners, Adelaide Wolff, and the couple ultimately had four children. Several of the partners in Kuhn, Loeb were of German-Jewish origin, and these socially prominent people referred to themselves as "Our Crowd."



Otto Kahn plays a round of golf. (N.Y. Daily News via Getty Images)

MATURE WEALTH

Kahn rose in the company and befriended railroad tycoon Edward H. Harriman, whose ventures were largely funded by Kahn's firm. He helped Harriman finance the reorganization of several of his rail lines, and in return Kahn garnered much wealth for himself and his company. Kahn also participated in making loans to France for reconstruction of its cities after World War I. In addition, Kahn was a founding director of the American International Corporation, a worldwide trading, holding, and finance company.

Kahn was well on his way to becoming a great art collector and patron of the arts. In the early twentieth century, he became a majority stockholder in the Metropolitan Opera company, eventually serving as its president and chairman. He participated in reorganizing this company, which was doing poorly at the time, contributing some $350,000 of his own money to assist it. He also gave generously to other opera companies and was quoted as saying, "I must atone for my wealth."

By the time of his death, Kahn was a trustee of several universities and numerous other civic, business, and arts organizations. He owned fabulous homes filled with art in Manhattan and on Long Island that were compared to Renaissance palaces.

During the early days of the Franklin D. Roosevelt administration, Congress held hearings about the causes of the financial crash of 1929. Kahn, with his benevolent public persona, became one of the most prominent faces of the banking industry in his testimony before Congress in 1933. The following year, already in ill health, he died of a heart attack at the offices of Kuhn, Loeb.

Legacy

Although prominent in the banking world, it is undoubtedly as a patron of the arts that Otto Kahn will be most remembered. Besides his long years of service to the Metropolitan Opera, he brought many famous artists to America, including the Ballets Russes and conductor Arturo Toscanini; arranged for Americans to perform abroad; and encouraged the work of young writers, among them the poet Hart Crane. He was considered to have been a most enlightened capitalist and, as such, was a very effective spokesman for Wall Street interests.

—*Roy Liebman*

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See also: George F. Baker; Clarence Dillon; Anthony Joseph Drexel; Edward H. Harriman; Andrew Mellon; Richard B. Mellon; J. P. Morgan; Jacob Schiff.

George B. Kaiser

American oilman and banker

Kaiser attained his wealth through his businesses, the Kaiser-Francis Oil Company and the BOK Financial Corporation. Both his business ventures and his philanthropy have contributed greatly to the economy of the city of Tulsa and the state of Oklahoma.

Born: June 17, 1942; Tulsa, Oklahoma
Sources of wealth: Oil; banking; real estate
Bequeathal of wealth: Spouse; children; charity

Early Life

George B. Kaiser (KI-zuhr) is the son of Herman and Kate Kaiser, who fled Nazi Germany in 1940. Herman Kaiser and his brothers founded the Kaiser-Francis Oil Company after the Jewish family settled in Tulsa, Oklahoma, where George Kaiser was born in 1942. George attended Tulsa's public schools and completed his education at Harvard University, earning a B.A. degree in 1964. He remained at Harvard until he received his M.B.A. in 1966.

First Ventures

Unlike some of the world's wealthiest businesspeople, George Kaiser did not waste time making false starts before finding his true niche. Although he flirted briefly with the idea of entering the U.S. State Department's foreign service, he soon realized it would take too long to make the kind of impact he longed to achieve. After graduation from Harvard, he went to work in the family business, the privately held Kaiser-Francis Oil Company. He took over the company's management before the end of his first year, when his father was forced to step down after suffering a heart attack.

Kaiser married his first wife, Betty Eudene, in June, 1965, and the couple had three children, Philip, Leah, and Emily, and later fostered a son, Mony So. From the start, Kaiser was adamant that none of his children would ever feel pressured to go into the family businesses.

Kaiser-Francis Oil was a typically small, family-run operation until George Kaiser's management drove it to prominence. Timing also played a role in the company's success, as the firm was poised to prosper during the American oil boom years. Because oil is a depletable resource, Kaiser was not content to rely on that industry alone, and he branched out into banking and real estate. These ventures also proved successful and contributed to his fast-growing wealth.

Mature Wealth

Kaiser's net worth, estimated at $10 billion, ranked him number sixty-four on *Forbes* magazine's 2010 list of the world's wealthiest people, and for many years he has been the richest individual in Oklahoma. He remains driven, though not to accumulate personal wealth for the wealth itself but to have more money to give away. Among other causes, he donates large sums to politicians and to political campaigns that he believes share his vision of creating opportunities for the disadvantaged.

Under Kaiser's leadership, Kaiser-Francis Oil has become one of Oklahoma's largest natural gas producers in the state, and it provides more than one-tenth of America's energy. His other business pursuits have also prospered. After a long tenure of board membership, Kaiser acquired the Bank of Oklahoma in 1990. He managed it with the style he perfected at Kaiser-Francis Oil, and he continued to participate in the many charitable and civic endeavors he has led over the years.

Effectively managing people to produce their best work has always been a key factor in Kaiser's ability to run the successful companies that in turn created his enormous personal wealth. He knows that self-motivated employees perform better and are far more likely to reach their full potential than people who are micromanaged by executives afraid to allow workers to make and learn from their own mistakes. He is a firm believer in choosing people with the right set of skills and then giving them freedom, as well as financial and other incentives, to succeed.

By delegating tasks to others, Kaiser can devote more of his time and energy to other worthy pursuits. Because he is convinced that education is the single best way to escape poverty, he has served as an Oklahoma State regent for higher education for a number of years, including a stint as chairman of the board of regents. He also has a passionate interest in the arts and theater and donates time and funds to those endeavors. Some of his money has also been allocated for environmental concerns, such as improving the Arkansas River Trails and beautifying the land along the state highways.

In 2009, Kaiser continued to serve as president and chief executive officer of the GBK (George B. Kaiser) Corporation, the parent company of Kaiser-Francis Oil. His portfolio includes nearly $2 billion worth of stock in the Bank of Oklahoma (forty-five million shares), along with other diversified financial and energy holdings. In 2008, he purchased gas tankers valued at more than $1 billion. Kaiser-Francis Oil continues to produce 12 million barrels of oil and natural gas per year, adding greatly to the Kaiser personal and corporate fortune. One of his few unmet goals is to help steer the nation on a course that will reduce American dependence on imported oil. He believes energy independence is attainable through the work of the National Energy Policy Institute, a Tulsa-based think tank funded by the George Kaiser Family Foundation.

After his wife Betty died, Kaiser married his second wife, Myra. Despite their privileged financial circumstances, the couple enjoy a relatively modest lifestyle. Although Kaiser is well known for his philanthropy, he is a private person who dislikes making public appearances.

Legacy

In 2008, *Business Week* magazine ranked Kaiser third on its list of the top fifty American philanthropists, behind investor Warren Buffett and Microsoft's cofounder Bill Gates and his wife Melinda. Kaiser is often quoted as saying, "We all got where we are by dumb luck," and he has made it his business to improve the luck of those who are less fortunate. He is also a firm believer in keeping his wealth in the community in which it was earned. Toward this end, he has made major con-

The George Kaiser Family Foundation

George B. Kaiser founded the George Kaiser Family Foundation for the primary purpose of breaking the cycle of poverty. According to its Web site, the organization seeks to attain this goal "through investments in early childhood education, community health, social services and civic enhancement." The Kaiser foundation is based in Tulsa, Oklahoma, and works with other charitable and service organizations, including the Tulsa Community Foundation, to serve this city's population.

The foundation seeks to help poor children by supporting early childhood education and by funding human social service organizations that are working to improve the lives of young people in Tulsa. Offering adequate medical care to the children of low-income families is of special interest to George Kaiser and a primary concern of the foundation. The organization has helped develop projects in community health, including the University of Oklahoma School of Community Medicine and the Community Prenatal Project. In addition, the foundation has provided grants to create parks, recreational venues, and cultural amenities in order to enhance the lives of Tulsa's residents. The city's Jewish community has also benefited from the foundation's largesse.

tributions to Tulsa's parks, museums, schools, and entertainment venues. His passion for "giving back" was instilled in him by his parents, who were also tireless in their efforts to make the world a better place. In 2008, the Herman and Kate Kaiser Library opened in Tulsa, an acknowledgment of Kaiser's parents' many contributions over the years.

In 2009, Kaiser spent about half of his time on his philanthropic endeavors, primarily through his foundation, and looked forward to retirement, when he planned to devote all of his time to charitable work. He has said that at the time of his death, he hopes that only one dollar will remain of his fortune, with the rest donated to charity.

—*Norma Lewis*

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See also: Hugh Roy Cullen; H. L. Hunt; Clint Murchison, Sr.; Sid W. Richardson.

Adam Kazanowski

Polish aristocrat and government official

Kazanowski was a powerful noble of the Polish-Lithuanian Commonwealth and a friend, adviser, and sometimes financier to King Władysław IV Vasa. He hosted sumptuous entertainments, designed and built magnificent palaces, governed villages, and enjoyed everything his money could buy.

Born: 1599; Polish-Lithuanian Commonwealth
Died: 1649; Polish-Lithuanian Commonwealth
Sources of wealth: Inheritance; real estate; government
Bequeathal of wealth: Spouse

Early Life

Adam Kazanowski (ka-za-NAWF-skee) was born into Poland's landed gentry during the reign of Sigismund III Vasa, a time when the Polish-Lithuanian Commonwealth reached its greatest territorial size and power. Throughout Europe, the nation was considered prosperous, but in reality it was divided by extremes of wealth and poverty. The Kazanowski family was very wealthy.

Kazanowski and his brother Stanisław grew up as companions of Władysław Vasa, who would become King Władysław IV Vasa. The friendship lasted throughout their lives. In the royal company, Kazanowski received an excellent education in the arts, literature, history, science, and several languages. He also learned self-indulgence, arrogance, pride, and some say greed. Perhaps prophetically, the Kazanowski coat of arms is topped by three strong turrets supporting seven lavish peacock feathers. The family were *szlachta*, members of a powerful ruling class in which, according to British writer Daniel Defoe, the "Vanity of Birth is carried to a monstrous extravagance."

First Ventures

As a young man, Kazanowski accompanied Władysław Vasa in his travels, including Vasa's failed attempt to become a Russian czar, his service in the Siege of Khotin (1621), and his explorations of the European continent, with visits to several royal courts. In 1631, Kazanowski began his political career as the *starost* (royal official) of Barcko. In 1634, he married Elzbieta Sluszczanka.

Before and after his coronation, King Władysław Vasa showered Kazanowski with powerful titles and lavish gifts. The extravagant spending of the two men brought outcries from the commonwealth parliament, called the *Sejm*. However, nothing came of the protests, even when the royal treasury ran dry and Kazanowski volunteered to mortgage some of his property to quickly raise funds for his friend the king.

Mature Wealth

As a Polish magnate, Kazanowski subscribed to a knightly code that upheld brotherly love and equality among the *szlachta*. The code also spoke for the superiority of their social class, however, and most magnates held many commoners in serfdom. Most also hired Jews to work as estate managers and tax collectors on their lands.

Kazanowski held many governing titles and positions granted him by the Vasa kings. He, like other magnates, wielded absolute mastery over his estates and the localities he ruled. The aristocratic Pole was a *pan sobie*, a lord unto himself. In his role as crown marshal, however, Kazanowski would have been required to deal with complaints about noblemen violating the gardens or the women of other noblemen. During his career as a statesman, most of the offices and titles he held were salaried and contributed to his wealth and power.

The most prominent symbol of Kazanowski's wealth was attained with the help of Władysław Vasa. In 1628, the future king commissioned Constantino Tencalla, the royal architect, to design a new palace in the Italian style. Tencalla created the most impressive building in Warsaw. In 1632, Władysław gave the building to Kazanowski. The gift was so immense that Władysław's father, King Sigismund III, objected and set up a *Sejm* commission to investigate the gift. The commission did not produce any results.

Kazanowski Palace was an enormous four-story structure with a garden, a large terrace, and a central courtyard. Contemporary reports describe gilded crowns decorating the alcove tops, opulent interiors, and lavish furnishings. Wooden beamed ceilings were also gilded and the spaces between the beams were filled with oil paintings. Kazanowski collected all kinds of art: marbles, tapestries, paintings, carved furniture, silverware, and treasures from the Orient. A bear lived in a gilded cage in the front courtyard. Wine was served at banquets in a cask of pure silver, rolled out on wheels with a large figure of Bacchus sitting astride it. Everything was the best and usually the most expensive available. Among the holdings was a collection of musical instruments for the use of Kazanowski's private orchestra.

Life in Warsaw was a succession of feasts featuring fine dining and heavy drinking, and the figure of Kazanowski gave witness to this abundance. Kazanowski's portrait by artist Peeter Danckers de Rij shows a handsome man of tremendous girth who probably weighed close to three hundred pounds. Kazanowski used his wealth to purchase beauty and pleasure of every kind. In the 1640's, in addition to the Kazanowski Palace, he owned almost half of the Praga district in Warsaw, the magnificent Krzysztofory Palace in Kraków, and estates that included whole villages in other areas of Poland.

Kazanowski died in 1649 and was buried in the crypt beneath the Cathedral of St. John in Warsaw. After his death, a contemporary wrote, "Never has Poland seen so much wealth in a private hand of a single man."

The Kazanowski Palace was plundered and burned by invading Swedes and Germans in 1656. It was never rebuilt. In the twenty-first century, the site was the location of a charity center.

Legacy

Unlike most of the countries in Europe in the seventeenth century, Poland allowed women to own property, and Kazanowski bequeathed his estate to his wife, Elzbieta. She became one of the few truly wealthy women on the Continent. After a time, she remarried, and she later sued for divorce, causing a great consternation in the *Sejm* and among the other nobles. In many ways, she was the archetypal figure of the strong-minded woman, secure in her own wealth and power, that runs throughout Polish history and literature.

In 1641, in seeming poetic balance to his hedonistic spending and entertaining, Kazanowski founded a Carmelite church and monastery in the village of Bielsk, where he was *starost*. The buildings were dedicated to Our Lady of Mount Carmel. The Carmelite Order is among the most austere in all Roman Catholicism, with its members withdrawing from the business of everyday life and emphasizing poverty, simplicity, and complete devotion to God. After her husband's death, Elzbieta

The Historical Museum of Kraków

The main building of the Historical Museum of Kraków in Poland is known as Krzysztofory Palace. In the 1640's, nobleman Adam Kazanowski created the palace by joining three medieval houses situated close to the Main Market Square. The palace was reconstructed and renovated in Baroque style by architect Jakub Solari in 1682-1684. The building was not bombed in World War II, and it retained the decorative stucco work created by Italian architect Baldassare Fontana.

The famous Kraków nativity scenes (*szopka*) are housed in the museum's palace building. This structure also displays sixteenth to twentieth century city maps, prints, and photographs; local paintings; portraits of the Polish nobility; fourteenth to twentieth century weapons of war; and memorabilia from the powerful guilds and fraternities. Especially notable is the Gun Cock Fraternity's silver cockerel prize, a royal donation from 1565. Among the most precious holdings are the early sixteenth century scepter and ring of the lord mayors of Kraków and the plaque of St. Eligius from 1609.

The museum became an independent institution in 1945, and it encompasses several buildings in addition to the Krzysztofory Palace. One of these structures is the nearby town hall tower of Main Market Square, which was built in the fourteenth century but destroyed by fire in 1680. The structure was then restored in the Baroque style with a square basis and a height of sixty-eight meters. Its cellars, once a prison and torture chamber, house a popular cabaret, and its highest story is available for views of the city.

The history of Polish Jews is memorialized in the Jewish Museum, established in 1959 and located in the fifteenth century Old Synagogue (*Alte Schul*), the oldest preserved synagogue in Poland. The Torah shrine in the wall is original. The museum's permanent collection includes heritage items of Jewish ritual art, regional paintings, prints, photographs, and memorabilia of Jewish family life. All were purchased or donated from Europe and Israel.

The Barbakan Museum is housed in a fortification built in 1498-1499 to protect the city from a feared Tartar invasion. The building is an excellent example of Gothic architecture, with circular brick walls that are three meters thick, seven turrets, and a twenty-four-meter-wide moat.

The Sign of the Cross House focuses on the history of Polish theater. The structure was built on the site of the sixteenth century poor scholars' hospital. With its Gothic cross vault preserved, the building was reconstructed and expanded after a fire in 1594 and again in 1834-1835. The permanent collection recounts the history of nineteenth and twentieth century theater, including cabaret and clandestine underground theater. Portraits of actors and directors, costumes, stage designs, posters, programs, and stage props are on display.

Hipolitów House is a three-story building connected to a two-story annex, both of which display re-creations of merchant and middle-class interiors of Kraków homes from the sixteenth to the twentieth centuries. The structure displays an extensive collection of clocks and watches.

continued to fund the religious community until her own death in 1671. The buildings were still in existence in the twenty-first century and were part of the historic character of the town of Bielsk Podlaski, which also had a large Jewish community that was eliminated in the Holocaust and is now memorialized in the Book of Memory.

During the 1640's, Kazanowski also created the Krzysztofory Palace in Kraków by joining the homes of three burghers near the Main Market Square. The building's architecture and interior were so grand that it rivaled the royal Wawel Palace on a nearby hill. In the twenty-first century, the palace housed the Historical Museum of Kraków.

—*Carolyn Janik*

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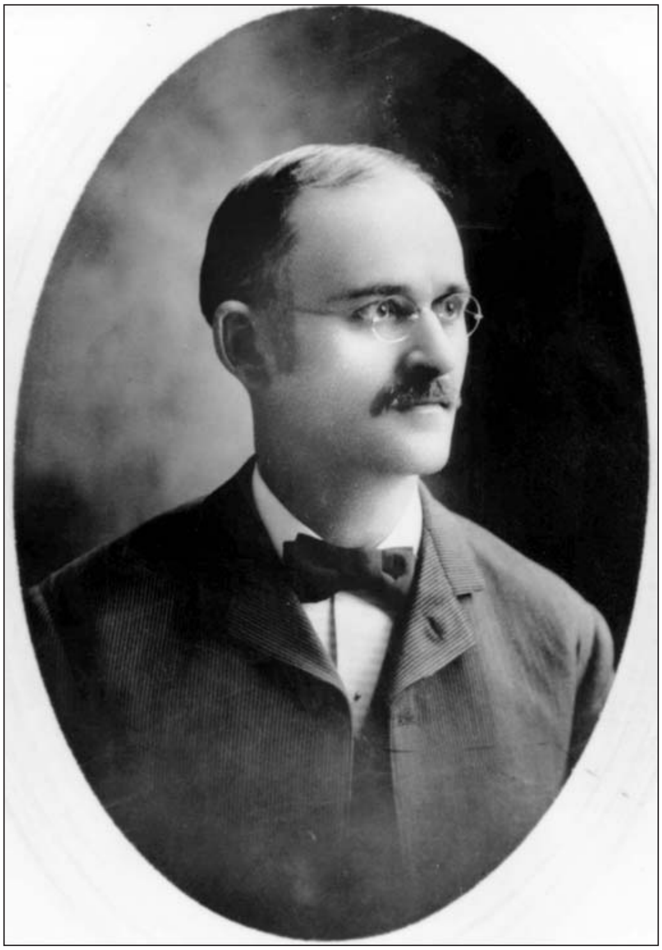
See also: Ivan Borisovich Cherkassky; Nikita Romanov.

W. K. Kellogg

American food manufacturer

Kellogg and his brother, doctor John H. Kellogg, discovered cold, dry, flaked cereal while experimenting with healthy foods to serve the patients in John's sanatorium in Battle Creek, Michigan. Kellogg launched the company that bears his name, which would become the world's largest cereal manufacturer. His resulting wealth allowed him to fund the W. K. Kellogg Foundation.

Born: April 7, 1860; Battle Creek, Michigan
Died: October 6, 1951; Battle Creek, Michigan
Also known as: William Keith "Will" Kellogg
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Relatives; charity



W. K. Kellogg. (AP/Wide World Photos)

Early Life

William Keith Kellogg was born in Battle Creek, Michigan, in 1860, the seventh of sixteen children born to John Preston and Ann Janette Kellogg. The family, staunch Seventh-day Adventists, firmly believed in the correlation between diet and health. Kellogg failed to distinguish himself as a student and dropped out of school at age fourteen to work in his father's broom factory. He sold brooms for eight years and then returned to school to study business. After completing a year's course work in three months, he dropped out again to work for his brother, John H. Kellogg, at the Battle Creek sanatorium. John was a medical doctor, but some of his treatments bordered on quackery and often included daily enemas, cold showers, and health food. In 1880, Kellogg married Ella Davis, with whom he had five children.

First Ventures

One of America's favorite breakfast cereals came into being when the Kellogg brothers made a mistake. They insisted upon a healthy diet for sanatorium patients, and they wanted to improve upon shredded wheat, the only cold cereal available in 1894. W. K. Kellogg worked long days, sometimes staying late into the night to experiment. One day he prepared cooked wheat to be processed through rollers. He and his brother had urgent business to attend to and forgot about the wheat. When they came back to their experiment two days later, the wheat had completely dried out, leaving them with flakes of wheat, not sheets of dough. After toasting the flakes, they poured cold milk on them, and their taste tests demonstrated that they had created a viable method for making cereal. If this method worked with wheat, they assumed correctly that it would also work with corn. From that mistake came Kellogg's Toasted Corn Flakes.

Kellogg factory workers pack Corn Flakes boxes at the company's Battle Creek, Michigan, headquarters in 1922. (AP/Wide World Photos)

W. K. Kellogg recognized the potential of corn flakes as a mainstream breakfast food. His brother, however, wanted the flakes to remain a health food ordered only through his sanatorium's catalog. After working for his brother for twenty-five years, Kellogg decided to start his own company and sell cereal by the carload, not the carton. A court battle with his brother over the right to market the cereal was ultimately decided in W. K.'s favor, but it caused a permanent rift between the brothers. John later wrote a conciliatory letter to W. K.; unfortunately, W. K.was near death and was never shown the letter.

Mature Wealth

Although Battle Creek had more than thirty companies producing cereals, the Kellogg Company, originally called the Battle Creek Toasted Corn Flake Company, outpaced them all and in the twenty-first century still commanded more than 40 percent of the world market. General Mills, for years the company's closest competitor, surpassed Kellogg in 2001.

Although Kellogg was a perfectionist and demanded the same from his employees, he was by all accounts a fair and consistent boss. He expected his business to excel, and he made sure it did. Under his leadership, the Kellogg Company posted profits, even when other consumer product companies suffered bad times or failed. World War I caused shortfalls of railcars and some of the necessary production ingredients, causing the company to sustain the only loss in its history in 1920. During the dark times, both W. K. Kellogg and his son John L. Kellogg worked without pay. Their sacrifice paid off. Soon earnings again soared and Kellogg's personal wealth grew proportionately.

The company he founded continued to grow. During the Great Depression of the 1930's, his company helped reduce unemployment in the Battle Creek area by instituting six-hour factory shifts, thereby creating additional jobs for community residents. Kellogg also converted ten acres of his factory's property to a park, where local residents also found work.

The Kellogg Company's industry domination from its earliest days can be credited to W. K. Kellogg's mastery of the art of promotion. In 1906, he spent one-third of his initial startup capital on an advertisement in the *Ladies' Home Journal*, the most popular women's magazine of the day. Because there was an abundance of cereal makers, he made sure people bought his brand by making certain that his signature was prominently displayed on the package. He created demand by hiring people to visit

THE W. K. KELLOGG FOUNDATION

W. K. Kellogg laid the groundwork for the foundation that bears his name when he told foundation organizers, "I don't want to restrict you in any way. Use the money as you please so long as it promotes the health, happiness, and well-being of children." With these words, a multibillion-dollar foundation was established in 1930 and continues to operate into the twenty-first century from its headquarters in Battle Creek, Michigan.

Born of W. K. Kellogg's conviction that with wealth comes social responsibility, the foundation since its founding has worked to improve the lives of disenfranchised children and their families. Kellogg later gave the foundation his majority interest in the Kellogg Company in order to finance its efforts to improve education, medicine, and agriculture in the geographic areas he had preselected: the United States, southern Africa, and Latin America, including the Caribbean.

The 2008 annual report states that the net assets of the combined W. K. Kellogg Foundation and the W. K. Kellogg Foundation Trust are just under $8 billion, of which almost $5 billion is in Kellogg Company common stock.

Among its initiatives, the foundation operates the Food and Society program. This program, as explained on the organization's Web site, "Supports the creation of locally owned food systems that strengthen local businesses while promoting a safe and nutritious food supply." Another project seeks to connect residents and organizations in Battle Creek in order to help at-risk kids succeed in school and to increase economic opportunities for their families.

In 1997, the foundation launched a multiyear initiative, Engaging Latino Communities for Education (ENLACE), that aims to increase opportunities for Latinos to enter and complete college. ENLACE has partnered with universities, community colleges, public school systems, community-based organizations, students, and parents in seven states to attain the program's goals.

One endeavor outside of the foundation's original geographic parameters is the Kellogg College in Oxford, England. Kellogg, the thirty-sixth college at the famed Oxford University, is a graduate-level institution of lifelong learning. Many of its enrollees are part-time, nontraditional students. The college was established in 1990 and was named for W. K. Kellogg in recognition of the financial support that the university had received from the foundation.

grocery stores and ask for Kellogg's Toasted Corn Flakes even before the product was commercially available. In 1912, he mounted a sign on a Times Square rooftop in New York City that measured 50 by106 inches—the largest electric sign that had ever been displayed. Other marketing ploys included advertisements and packaging with "spokesanimals" and other trademarked characters, such as Cornelius the Corn Flakes rooster and Snap, Crackle, and Pop, the elflike creatures that touted Rice Krispies, in order to enhance brand recognition. Premiums in the cereal boxes further drove sales. In the 1960's, Tony the Tiger joined the lineup to sell Frosted Flakes, and later Toucan Sam was the mascot for Froot Loops. Children loved the television advertisements and demanded that their parents buy the cereals.

W. K. Kellogg took pride in the fact that his son John was actively involved in the company and had acquired nearly two hundred patents, including one for package liners that kept the products fresh. These patents added to the company's wealth and to the wealth of its founder. Although Kellogg became one of the world's richest men, attaining wealth was never his goal. His money meant nothing unless he could use it to improve the lives of others. He cared about the most vulnerable of the world's citizens—its children—and determined to improve their lives, choosing to focus on the United States, Africa, and Latin America.

Most of his money came from his equity in the Kellogg Company. He provided his family with the lifestyle appropriate for a man of his position, and he then made arrangements for a foundation to carry on the work he held dear: helping the less fortunate by making better use of agricultural resources to ease hunger, expanding access to health care in Third World regions, and fostering education as the way out of poverty.

One venture not initially associated with the cereal company was the Kellogg Ranch in Pomona, California, where Arabian horses were bred. By 1932, the ranch had doubled its size to encompass 750 acres, and it became part of the Kellogg Foundation in 1949.

On October 6, 1951, W. K. Kellogg died of heart failure in Battle Creek, Michigan, his hometown and the site of his phenomenal success. He was ninety-one years old.

LEGACY

One of W. K. Kellogg's legacies is found on breakfast tables around the world. He revolutionized the morning meal. In a rapidly changing world, where men left the farms for city work and women entered the workforce in ever-increasing numbers, heavy, cooked morning meals became a weekend treat, while cold cereal was the weekday ritual. By the twenty-first century, Keebler, Nutri-

Grain, Healthy Choice, and Kashi were part of the Kellogg family of foods. The company has facilities in more than 170 countries and employs more than sixteen thousand people worldwide.

Michigan State University operates the Kellogg Biological Station on a site that was once part of Kellogg's vast property near his beloved city of Battle Creek. The Kellogg Community College in Battle Creek bears his name and honors his contributions to the region.

Kellogg's sense of responsibility for the underprivileged members of society led him to say, "It is my hope that the property that kind Providence has brought me may be helpful to others, and that I may be found a faithful steward." That belief motivated his greatest legacy, the W. K. Kellogg Foundation, at one time the second largest charitable foundation in the United States.

—*Norma Lewis*

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See also: Philip Danforth Armour; Roberto C. Goizueta; Ray Kroc; Reginald F. Lewis; C. W. Post; Marjorie Merriweather Post; Louis F. Swift; William Wrigley, Jr.

Joseph P. Kennedy

American businessman, investor, and diplomat

Kennedy enjoyed success in multiple fields, including banking, the stock market, real estate, and liquor importation. He imbued his children, especially his sons, with the understanding that their wealth and privilege came with the expectation that they would become national and world leaders.

Born: September 6, 1888; Boston, Massachusetts
Died: November 18, 1969; Hyannis Port, Massachusetts
Also known as: Joseph Patrick Kennedy, Sr.; the Ambassador
Sources of wealth: Liquor importation; banking; investments; real estate
Bequeathal of wealth: Children; relatives; charity

Early Life

Joseph Patrick Kennedy, Sr., was born in 1888 in Boston, the son of Patrick Joseph "P. J." Kennedy and Mary Augusta Hickey Kennedy. His father was a popular saloon keeper who drank sparingly, a banker who was loved by his clients even as he became wealthy, and an East Boston Democratic ward boss who served in the state legislature. Joseph would follow his father in all three traditions, becoming a liquor importer, serving as a bank president by the age of twenty-five, and becoming deeply involved in local, state, and national politics.

First Ventures

Kennedy had a remarkable, lifelong sense of timing and insight concerning the accumulation and maintenance of wealth, beginning with his presidency of Columbia Trust Bank in 1913 and continuing with his management of the Bethlehem Steel shipyard in Quincy, Massachusetts, during World War I. He made millions of dollars in the unregulated stock market of the 1920's, but he pulled his money from the market before the 1929 crash. Kennedy directed the reorganization of several smaller film studios to become RKO (Radio-Keith-Orpheum) Pictures. In 1928, he began a decade-long affair with film star Glo-

Joseph P. Kennedy. (AP/Wide World Photos)

ria Swanson. During the Depression, his wealth increased exponentially as he bought distressed real estate, both commercial and residential.

Mature Wealth

Kennedy was accused of bootlegging during Prohibition, but these charges have never been proven. However, it is undeniable that Kennedy, anticipating the repeal of Prohibition, procured a "medical license" to warehouse large amounts of Dewar's Scotch, Gordon's gin, and other Somerset Importers brands, thereby creating new liquor distribution networks on and after December 5, 1933—the day Prohibition was repealed. He bought and developed the Hialeah Park Race Track in Florida and blithely mixed business with pleasure, pursuing both his business interests and various affairs with both famous women and personal secretaries throughout the United States and Europe. Although he never personally ran for office, Kennedy served as the first chairman of the Securities and Exchange Commission from 1934 through 1935 and as the American ambassador to Great Britain from 1938 through 1940.

During World War II, Kennedy became a major figure in the New York City real estate market and then branched out to Chicago in 1945, when he bought the Merchandise Mart, which at four million square feet was then the largest office building in the world. His oldest son, Joseph, Jr., died in a plane crash in 1944 over the English Channel, leaving Kennedy's second son, John F. ("Jack"), to assume the family responsibility for public service. Kennedy knew that his isolationist philosophy, charges of bootlegging, underworld connections, and considerable wealth could adversely affect not only Jack's political hopes but also the political careers of his other sons, Robert ("Bobby") and Edward ("Ted"), so Kennedy excused himself from any public connection with his sons' campaigns.

Legacy

Kennedy's wealth, combined with the inculcation in his children of the responsibility of public service for those born into opportunity and privilege, has made the family name synonymous with liberal service in America. The creation of the Joseph P. Kennedy Foundation has helped to fund a number of initiatives in the area of mental illness and treatment, a testimony to Kennedy's lifelong concern about his daughter, Rosemary, who was lobotomized in 1941 and in 1949 was institutionalized for the remainder of her life.

—*Richard Sax*

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See also: John Bouvier; Samuel Bronfman; Clarence Dillon; Charles E. Merrill.

Kirk Kerkorian

American investor and hotel developer

Kerkorian has gained much of his fortune by buying large blocks of stock in corporations, seeking to influence the operations of the companies and then making large profits from his investments. He was one of the pioneers in developing Las Vegas luxury hotels, thus helping to popularize the city as a tourist attraction and gambling mecca.

Born: June 6, 1917; Fresno, California
Also known as: Kerkor Kerkorian (birth name)
Sources of wealth: Investments; real estate
Bequeathal of wealth: Charity

Early Life

Kirk Kerkorian (kihrk kehr-KOR-ee-uhn) was born Kerkor Kerkorian in 1917 in Fresno, California, the center of a large population of Armenian Americans. His parents, Ahron and Lily, were immigrants and English was his second language. His barely literate father was a farmer who raised watermelons and grapes for raisins and at one time owned a considerable amount of land. However, the family was plunged into near-poverty during a severe recession in the early 1920's, and young Kerkorian helped by selling newspapers and watermelons. As a result, his education was often neglected, and he drifted into unfortunate company, apparently engaging in street fights. He left school after the eighth grade and put his pugilistic abilities to use by becoming a successful amateur boxer. He then turned to doing odd jobs, including the installation of furnaces. It was during this time that he discovered a love for flying that would eventually lead to the beginning of his great fortune.

First Ventures

In 1942 Kerkorian married Hilda Schmidt, and this marriage lasted for ten childless years. After taking flying lessons, he spent World War II piloting bombers from Canada to Scotland as a civilian working for Great Britain's Royal Air Force. He was well paid for this task, and after the war he bought a small airplane for a reputed $5,000, intending to give flying lessons and operate a charter service. He also bought and sold surplus airplanes. The charter operation became successful when he offered flights from Los Angeles to Las Vegas, Nevada, which just then was becoming an increasingly popular tourist destination. Kerkorian discovered the lure of gambling about this time and began losing and winning large amounts of money. In 1947, he bought a small charter airline, grandly renaming it Trans International Airlines (TIA), and was ostensibly the first person to offer charter jet service.

Mature Wealth

By the early 1960's, Kerkorian was already quite prosperous and had married his second wife, Jean Hardy. This marriage lasted until 1983, at which time he paid a reputed $200 million divorce settlement. The couple had two daughters, one of whom was adopted, and whose names, Tracy and Linda, were combined to form Tracinda Corporation, the name of his powerful holding company. The beginning of his great wealth came from the 1962 sale of TIA and the reinvestment of the proceeds in Las Vegas land. A few years later, he repurchased TIA and issued stock in the company. A portion of his landholdings became the site of Caesar's Palace Hotel, from which he earned some $4 million in rent and another $5 million when he sold the land. In 1968, he

Kirk Kerkorian. (AP/Wide World Photos)

The Lincy Foundation

In 1989, Armenia was devastated by a major earthquake in which an estimated twenty-five thousand people lost their lives and two cities and perhaps one hundred villages were destroyed. In line with his continuing interest in the country of his forebears, Kirk Kerkorian established the Beverly Hills-based Lincy Foundation that year to financially assist in Armenia's recovery. Some $20 million was donated to this cause, and with the foundation's help thousands of homes were rebuilt, along with much of the country's infrastructure. To show its continuing gratitude, in 2005 the president of Armenia awarded Kerkorian the country's most important medal, the Medal of the Fatherland, which bestowed upon him the title of "National Hero."

High-level contacts continue to be made between the government of Armenia and the foundation's administrators. Like Kerkorian's holding company Tracinda Corporation, Lincy is an amalgam of the names of his daughters Linda and Tracy. During its twenty years of operation, the Lincy Foundation, which is entirely funded by Tracinda, has continued to finance many humanitarian efforts in both Armenia and the United States. Among the recipients of foundation awards have been hospitals and persons conducting research about eye diseases. The University of Nevada, Las Vegas, received a $14 million award to establish the Lincy Institute at the university. The institute's stated aim is to provide a central hub that can interface with governmental and private agencies across state lines in order to promote regional planning and economic growth throughout the "Southern Intermountain West."

sold TIA to Transamerica for an estimated $85 to $100 million in Transamerica stock.

Now well on his way to vast wealth, Kerkorian built hotels in Las Vegas and formed the International Leisure company. By 1970, he had become enamored of the film business and with some $650 million, much of it borrowed funds, he gained control of the MGM (Metro-Goldwyn-Mayer) Studios. MGM was to become a veritable "cash cow" for him, although during his tenure there he was criticized for neglecting the artistic side of the business. His sale of one-third of the MGM lot in Culver City, California, and of such revered MGM icons as the ruby slippers from *The Wizard of Oz* caused a prominent executive to lament that under Kerkorian's ownership the studio was always for sale. One of Kerkorian's Las Vegas hotels was the MGM Grand.

Kerkorian also acquired the United Artists (UA) Studio, merged it with MGM, and sold the combined company in 1985 to fellow entrepreneur Ted Turner for $1.5 billion. After Turner experienced financial problems, Kerkorian repurchased MGM/UA for $780 million and promptly resold it to Italian financier Giancarlo Parretti for $1.3 billion. Yet again, after Parretti encountered legal problems, Kerkorian repurchased the studio and sold it to Sony Corporation for $2.9 billion. Despite his making a huge personal fortune from MGM, the studio's financial status was apparently not much improved during his ownership.

In 1990, Kerkorian turned his sights on the auto industry. He acquired shares in Chrysler Corporation, and he eventually teamed with its former chairman Lee Iacocca in an attempt to gain control of the company by a hostile takeover. Although this maneuver failed, Kerkorian garnered billions of dollars in profits from various stock sales in Chrysler. He also realized another huge profit when Chrysler was acquired by the German company Daimler-Benz in 1998. Kerkorian subsequently filed a lawsuit challenging this merger, alleging that he had been misled about its terms, but an appeals court finally ruled against him in 2008.

Now well into his eighties, Kerkorian next turned to General Motors (GM) Corporation, in which his Tracinda Corporation holding company held almost 10 percent of the stock. His large holdings enabled him to place one of his associates on GM's board of directors, and he attempted to broker a merger between GM and Nissan Motor Company, which had already partnered with French automaker Renault. GM's management team successfully countered his attempted merger, and in 2006 Kerkorian sold most of his GM stock.

His next venture was with the Ford Motor Company, of which he purchased some 120 million shares. By 2007, Kerkorian was estimated to be the forty-first-richest person in the world, worth an estimated $18 billion. However, his financial worth suffered as a result of the recession that began at the end of 2007, and his Las Vegas holdings declined steeply in value, leaving him with a debt load of about $600 million. As a result, he sold most of his Ford stock at a loss in 2008. He also controlled a large stake in an oil exploration company that appeared to be having some financial difficulties.

In his personal life Kerkorian appears to be a modest man who is spartan in his personal habits. He stands in line at film theaters and pays for his own tickets, even for films made by MGM. Although he has donated vast sums of money to various causes, including the country of Armenia, as of 2009 he had not allowed anything associated with these causes to be named in his honor. However, he has been less magnanimous in his relationships with numerous women, most much younger than he, and in his failed marriages. In 2002, he was embroiled in a messy divorce and paternity trial involving his third wife, Lisa Bonder, who demanded more than $300,000 per month for alimony and child support. Kerkorian has always denied that the young daughter in question is his.

Kerkorian by nature is a reclusive man, who almost never grants press interviews. His reputed beneficence stands in sharp contrast with his superaggressive business practices, which have been the cause of numerous lawsuits against him. It has been speculated that as an inveterate gambler, Kerkorian is as interested in the art of the deal as he is in potential profits. He has been accused of the practice of "greenmail," whereby a corporation pays off a troublesome investor to cease what it considers his hostile actions toward the company. Among the companies that allegedly have paid off Kerkorian in this manner are Western Airlines and Columbia Pictures.

Legacy

By 2009, Kerkorian, who was in his nineties, was still somewhat active in business, and it seemed clear his legacy would be a mixed one. On one hand, his challenging of established corporate management has sometimes shaken the status quo and led to some positive changes in operations. However, his maneuvers often have seemingly enhanced only his own financial position, with little benefit to the corporations in which he has taken an interest. Based on his numerous donations to worthy causes in the United States and Armenia, it is probably in his charitable work that his legacy will be most valued. In 2008, *Business Week* magazine named him to its Fifty Top American Givers list.

—*Roy Liebman*

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See also: Sheldon Adelson; Robert Bass; Warren Buffett; Carl Icahn; T. Boone Pickens; George Soros; Ted Turner; Steve Wynn.

RICHARD KING

American rancher

Born into poverty as the son of Irish immigrants in New York City, King, through determination and an innate sense for innovation, business, and commerce, became one of the wealthiest Americans who ever lived and amassed one of the largest landholdings on Earth, the legendary King Ranch in south Texas.

Born: July 10, 1824; New York, New York
Died: April 14, 1885; San Antonio, Texas
Sources of wealth: Real estate; ranching
Bequeathal of wealth: Spouse; children

EARLY LIFE

Richard King was born in New York City in 1824 and apprenticed to a jeweler there at the age of nine. Next to nothing is known of his parents, not even their names. A little more than a year after beginning his apprenticeship, he stowed away on a riverboat to Mobile, Alabama, where he became a cabin boy. A kindly steamboat captain, Joe Holland, seems to have unofficially adopted the boy, and for less than a year King attended school in New England with Holland's biological children. This brief period seems to be the only time that King ever received a formal education. King showed great skill at navigation, though, and he eventually became the pilot of a steamboat before he had reached his seventeenth birthday.

Fighting in the American army during the Second Seminole War, King befriended a fellow soldier, Mifflin Kenedy, who would become his primary business partner. After piloting riverboats in Florida and Georgia for a while, in 1847 King responded to an invitation from Kenedy to move to Texas, where Kenedy was now aiding American troops in the Mexican War. Setting up operations on the Rio Grande, King used a transport ship, the *Colonel Cross*, to move men, ammunition, and goods for General Zachary Taylor. Showing great skill as an inventor, King quickly and expertly devised boats specially adapted to the demands of the narrow and fast-moving waterways of inland south Texas.

FIRST VENTURES

After the war was over, King and Mifflin went into partnership in a steamboat company on the Rio Grande. Soon, however, King became more interested in land than in water and began to use funds from his shipping enterprises to purchase property in numerous tracts and parcels throughout the southernmost region of Texas. Not all of King's early purchases of land were successful: He was once duped into "buying" part of what later became the popular vacation site, Padre Island, from confidence men who had no legitimate title to the property. Chastened by this debacle, King became very cautious in his purchases, relying heavily on the advice of a team of lawyers led by Robert J. Kleberg, who would later marry his daughter Alice and give his name to his former boss's principal heirs.

In 1854, King married Henrietta Chamberlain, a well-to-do young woman from Brownsville, Texas. She was a source of both wealth and sound advice to King, and with her help and that of Kenedy and Kenedy's equally aristocratic and perspicacious wife, Petra, King began to establish a Texas rancho of truly kingly proportions.

MATURE WEALTH

Having already bought a tract of more than fifteen thousand acres near Corpus Christi the year before his marriage, King purchased a nearby land grant known as the Santa Gertrudis de la Garza, consisting of more than fifty thousand acres of grassland. This nexus of properties would evolve into the King Ranch. Initially consisting of more than sixty thousand acres, by the end of King's life his ranch's property holdings had increased tenfold. Although the story may be exaggerated somewhat, King supposedly hired an entire town from Mexico, specifically the village of Cruillas in Tamaulipas State, to come and work for him. These villagers became an integral part of the King Ranch and were called Los Kineños, a hybrid coinage of Spanish and English based on King's surname. Descendants of the first Kineños were still working on the King Ranch in the early twenty-first century.

King did not refuse the amenities that wealth provides. He built a lavish ranch house in the Mexican hacienda style, and he and his family dressed and dined well. In fact, as various critics have pointed out, his way of life was in some ways medieval: a revival of feudalism in the nineteenth century Wild West of the United States, with his workers dependent on his patronage, much as serfs in the Middle Ages had relied on the lords in the manor houses. However, as others have pointed out, the landholder-worker relationship had been long established by Spaniards in Mexico, with the *patrones* (aristocratic landowners) hiring and overseeing the *peones* (peasant agricultural workers), who enjoyed their protection and tutelage only as long as their work and behavior were deemed pleasing or satisfactory. In short, this employer-employee relationship, archaic or not, unfair or not, was typical of the era and the region.

King's business endeavors were interrupted by the Civil War, during which Texas was part of the Confederacy. King, whose ranch was the major center of the cotton trade in Texas during the war, found himself the target of an assassination attempt by Union troops in December, 1863. He happened to be away from home at the time, although his property suffered much damage at the hands of the Union soldiers. In the time-honored tradition of Texans in disgrace, King fled to Mexico after the war to escape arrest and imprisonment. When President Andrew Johnson later granted him a pardon, probably because of his wealth, King returned to Texas and his ranch. At the conclusion of the war, King was worth about $300,000, an astronomical sum for the time, and he and his family owned almost 150,000 acres of ranch land.

Although the social structure of King's ranch may seem old-fashioned to later generations, he was an innovator in other ways. In fact, many of the traditions that Americans learn about the Old West from popular culture, such as Western films and television series, can be traced to practices that King pioneered. For example, he was one of the first ranchers to promote the arduous cattle drives during which thousands upon thousands of cows were herded to the Midwest and northern regions of the United States for sale during the 1800's. He fenced in his land and asserted absolute claim to it, thus helping to end a long-standing tradition in which grazing land was considered communal property. He also invested money in what were in his day state-of-the-art technologies, such as railways and production plants for ice, and he lent funding to the Texas Rangers during their early years.

In 1885, King died of stomach cancer in San Antonio at the age of sixty.

The King Ranch

Encompassing almost 830,000 acres and sprawling across parts of six south Texas counties, the massive King Ranch is the largest cattle ranch in the United States and one of the biggest landed estates in the world. Now almost as large as the entire state of Rhode Island, the ranch grew out of two only barely contiguous tracts of land and two other divisions of property wholly separate from these conjoined land parcels. The ranch is headquartered in the college town of Kingsville, Texas, in Kleberg County, about forty miles from Corpus Christi.

Soon after the death of the ranch's founder, Richard King, in 1885, King's widow, Henrietta, entrusted the role of ranch manager to her husband's former chief legal adviser, Robert J. Kleberg, and a year later Kleberg married King's daughter Alice. Through the 1920's, the trio of widow, daughter, and son-in-law ran the ranch, continuing King's legacy of expansion and innovation. After Kleberg became too old and ill to continue, his son, Robert J. Kleberg, Jr., and later scions of the family took over the ranch.

Some of the innovative ranching practices instituted by the family from the late nineteenth through the twentieth centuries included digging artesian wells for the first time in the region, constructing dipping vats for cattle to battle infestations of ticks and other parasites, and interbreeding various species of cattle in order to develop cows especially adapted to the climate and terrain of south Texas. This latter program eventually resulted in the introduction of the Santa Gertrudis breed in the early twentieth century, and this breed quickly became popular among farmers and ranchers living in dry, hot regions similar to South and West Texas.

In addition to cattle breeding, the ranch is also famous for the King Ranch Quarter Horse program. A number of the ranch's quarter horses have gone on to win major racing competitions. In the late twentieth century, the ranch began to breed more exotic animals, such as the nilgai, an antelope-like mammal from Asia.

Like many wealthy Texans, the King and Kleberg families became involved in the oil and gas business by leasing parts of their vast landholdings to oil companies, especially to Humble Oil, which eventually became Exxon-Mobile. Not unexpectedly, the enormous ranch is also a thriving center of agribusiness. Among the many crops that have been grown there are wheat, cotton, sugarcane, sorghum, oranges, and grapefruit. In the early twenty-first century, the ranch became a major source of turfgrass, much of which was found on private lawns and in various sports venues in the South and Southwest. In addition, the ranch bought the Young Pecan Company in the early twenty-first century and soon became one of the largest processors and distributors of pecans in the country.

Another important industry in which the King Ranch is involved is tourism. With a posh gift shop in downtown Kingsville, as well as a visitor center and a museum of ranch memorabilia, the ranch annually attracts more than ten thousand tourists from all over the world.

Legacy

As befits a legend, Richard King continues to haunt Texas folklore and American popular culture. A longstanding urban legend insists that his specter appears periodically in the room in which he died in the venerable Menger Hotel in San Antonio. His epic story of wealth and power survives in print and film through the success of the novel *Giant* (1952) by Edna Ferber and in its screen adaptation, released in 1956, which starred Elizabeth Taylor, Rock Hudson, and James Dean. Ferber had spent long periods of time at the King Ranch as part of her research for the novel, and much of the plot is based on King and Kleberg family history. However, King's greatest legacy continues to be the King Ranch.

—*Thomas Du Bose*

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See also: H. L. Hunt; Clint Murchison, Sr.; Sid W. Richardson.

John Kluge

American media and telecommunications executive

Kluge accumulated wealth by investing in and developing broadcasting and cellular telecommunications companies. A risk taker, Kluge bought and sold various types of businesses, even when such decisions seemed unwise, and by 1989 he had become the wealthiest person in America.

Born: September 21, 1914; Chemnitz, Germany
Died: September 7, 2010; Charlottesville, Virginia
Also known as: John Werner Kluge
Sources of wealth: Media; telecommunications; investments
Bequeathal of wealth: Charity; educational institution; medical institution

Early Life

John Werner Kluge (KLOO-gee) was born in 1914 at Chemnitz, Germany, to Fritz Kluge and Gertrude (née Donj) Kluge. His father, an engineer, died while serving in World War I. In 1922, Kluge, listed in passenger records as Johannes Kluge, departed Bremen on the *George Washington* and arrived at New York City on September 15. He settled in Detroit, Michigan, where his mother's new husband owned a painting business. His stepfather pressured him to work rather than attend school, but Kluge was determined to acquire an education, and he left his family to move into a teacher's home.

After his 1932 graduation from Northwestern High School, Kluge secured employment on the Ford Motor Company assembly line. The next year he enrolled in the College of the City of Detroit (now Wayne State University). A scholarship enabled Kluge to transfer to Columbia University in 1935. He excelled academically, receiving a $2,000 history prize. By 1937, Kluge had earned a bachelor of arts degree in economics.

First Ventures

After graduating from college, Kluge negotiated an offer to work as a shipping clerk for Otten Brothers, Inc., a Detroit business that produced paper. He suggested to the company's management that he should be compensated with shares of stock, in addition to his salary, if he doubled the corporation's sales. Kluge focused his attention on his job, working every day, including weekends and holidays, and learning about the responsibilities associated with all the jobs at Otten Brothers, from stockroom duties to office positions. After three years, Kluge's efforts resulted in his being named the vice president of Otten Brothers, and he was given one-third of the company's stock.

Kluge remained at Otten Brothers until late 1941, when the United States entered World War II. Throughout the war, Kluge served as an intelligence officer in the U.S. Army. His service took him to the Aleutian Islands, where instead of socializing with other soldiers during breaks he contemplated possible postwar business endeavors he could pursue. Kluge was promoted to captain by the time he was honorably discharged and returned to the United States in 1945.

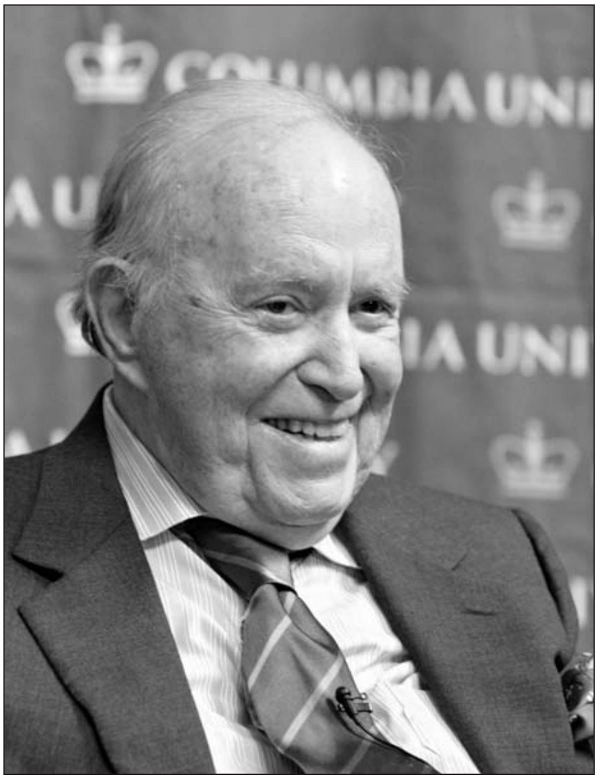
Mature Wealth

After the war, Kluge decided to invest the money he acquired from selling his stock in Otten Brothers. *The Wall Street Journal* alerted him to investment possibilities associated with radio broadcasting. In 1946, Kluge and Joseph Brechner, a Detroit friend, combined financial resources to purchase WGAY, a Silver Spring, Maryland, radio station. Aspiring to transform this station into a profitable business, Kluge developed promotions to attract listeners. During the first year he managed WGAY, he spent $50,000 on advertisements.

Eager to try another business venture, Kluge decided to be a food broker, distributing corn chips to grocery stores throughout New England. His radio station experiences influenced how he presented food products to consumers. Kluge's promotion ideas incorporated such strategies as giving shoppers free chips in grocery stores. He also purchased other radio and television stations in large cities throughout the United States. Kluge perceived himself as a businessman who shaped the companies he bought and then sold them instead of being complacent about his investments.

By 1958, Kluge's investments enabled him to attain multimillionaire status. He aspired to achieve greater success and bought approximately 24 percent of the Metropolitan Broadcasting Corporation (MBC). His shares enabled him to control MBC. Kluge applied his advertising strategies to transform MBC's radio and television stations, many of which had not been profitable and had operated in debt. His methods converted these faltering stations into thriving businesses and models for how broadcasting properties could generate income. During 1959, MBC earned approximately $1.5 million, with Kluge serving as its president and board chairman.

Kluge devised the term "metromedia" to describe using diverse media for advertisements, renaming MBC as



John Kluge. (Bloomberg via Getty Images)

Metromedia, Inc., in 1961. He expanded Metromedia to sell outdoor advertising on thousands of billboards in the United States. Kluge bought the Ice Capades in 1963 for Metromedia and acquired the Harlem Globetrotters thirteen years later. He secured syndication rights for television shows and films. Despite fluctuating economic conditions, Kluge sustained financial growth for Metromedia, establishing it as a powerful broadcasting conglomerate. By 1981, Metromedia employed more than four thousand workers and generated net revenues of almost $462 million, of which almost $59.7 million was net income. Recognizing the potential of cellular technology, Metromedia invested $281 million in paging businesses in the early 1980's.

A risk taker, Kluge bought available Metromedia stock in 1984 with a $1.2 billion loan in order to privatize the company. He then sold some of his media and cellular properties, using the proceeds to repay the loan and to accumulate wealth, eventually earning a profit of more than $8 billion. In 1985, Rupert Murdoch paid $2 billion to buy seven Metromedia television stations for the Fox Network. General Electric Capital Corporation purchased Kluge's billboard company. Kluge gained control

Morven Farm

Morven Farm in southeastern Albemarle County, Virginia, consists of rural land located on Carter's Mountain close to Presidents Thomas Jefferson's former estate, Monticello, and James Monroe's home, Ash Lawn. In 1796, Jefferson bought land referred to as Indian Camp for diplomat William Short, who had been Jefferson's secretary. A small house was built on the property that year. Because Short infrequently visited his land, Jefferson leased it to agriculturists.

David Higginbotham, a merchant, purchased the land in 1813. Higginbotham and his wife Mary used a Scottish term, Morven, referring to the land's hilly terrain, to name their farm. By 1821, a brick house and numerous outbuildings were constructed. Renovations of this house and grounds continued through the next century as different owners designed structures, including a chapel and barns, for various social, religious, athletic, and agricultural needs. The vast acreage contained fields for livestock, crops, timber, and orchards.

By 1926, Morven Farm had become the property of Charles A. Stone, who bred racehorses on the land. His heirs, Whitney and Anne Stone, continued Morven Farm's reputation as an elite stud farm producing champions. The Stone family was especially interested in improving Morven Farm's gardens, which had originally been planted in the late nineteenth century, and the family hired landscape architect Annette Hoyt Flanders. In 1929, the Garden Club of Virginia began hosting an annual garden week at the estate and expanded its programs in the following decades. Morven Farm was named to the National Register of Historic Places in 1972 and the Virginia Landmarks Register. The Historic American Buildings Survey cataloged the property's outbuildings.

John Kluge purchased Morven Farm and began raising thoroughbred horses in the 1980's as the owner of Morven Stud, eventually selling his broodmare and foal herd in 2000. Kluge also financed research evaluating the genes of cattle in order to strengthen the farm's livestock. He enhanced the estate's grounds, arranging for construction of a Japanese garden with native plants and a tea pavilion and buying sculptures by such renowned artists as Auguste Rodin for Morven Farm's gardens. Social events at Morven Farm included Kluge's daughter Samantha's wedding in April, 1997.

In the late 1990's, Kluge discussed donating Morven Farm to the nearby University of Virginia with the university's president, John T. Casteen III. Kluge envisioned that Morven land and buildings would offer educational sites and resources for students, faculty, and visiting scholars and artists. Kluge suggested that some of the farmland should be leased or sold in order to create an endowment that would generate money for the university. On May 25, 2001, an announcement described Kluge's gift of 7,378 acres worth $45 million to the university. He emphasized the farm's value for architectural and ecological research.

The university adapted structures and roads on the grounds to meet its needs for transportation, communication, and accessibility. School officials described Morven Farm as a village where people with diverse interests and expertise could interact. Students earned academic credit for landscape architecture and other courses taught at the Farm.

of Orion Pictures in 1988, initiated and achieved numerous profitable company mergers, and accumulated income from diverse technology, hotel, and restaurant investments.

In 1989, *Forbes* magazine listed Kluge as the wealthiest person in the United States, estimating he was worth more than $5 billion. Kluge continued to be the wealthiest American in 1990 and 1991 before Bill Gates, cofounder of Microsoft Corporation, acquired that title. Kluge was included on subsequent *Forbes* lists of both wealthy Americans and world figures.

Kluge sold his cellular properties for $3.4 billion in 1992. His fortune was worth $8.8 billion the next year. In 1993, Kluge formed LDDS Metromedia Communications, which later became the telephone company WorldCom and paid him $1.2 billion in 1995. He established Metromedia International Group, Inc., that year, providing cellular communications technology in Asia and Eastern Europe.

Kluge resigned as Metromedia International Group chairman in 2002 because of pressure from unhappy shareholders. That year Metromedia Fiber Network declared bankruptcy, and Kluge provided $150 million to the company, confident its fiber-optic technology would rebound. In the early twenty-first century, Kluge was selected for the *Forbes* list of international billionaires, with the magazine assessing Kluge's net worth at $10.5 billion in 2003 and $11 billion two years later, acknowledging his status among the world's twenty wealthiest people. Kluge's net worth dropped to $6 billion by 2009 after his restaurant investments lost money because of increased food costs and worldwide food shortages. In 2010, *Forbes* magazine estimated his net income at $6.5 billion.

Kluge's wealth enabled him to buy luxurious properties, including a Scottish castle on seventy-eight thousand acres, and residences in Manhattan, Munich, and London. Kluge married four times; he has one daughter and two adopted sons. His three divorces attracted publicity for the large alimony sums, such as $2 million weekly, he paid his former wives. In 2009, he lived primarily in Palm Beach, Florida. Kluge estimated he had purchased and then sold approximately two hundred companies.

Legacy

Starting in 1987, Kluge expressed his gratitude to his alma mater, Columbia University, by contributing several multimillion-dollar donations, ranging from $25 to $60 million, to help both students and faculty. Kluge stated that he wanted his gifts to provide scholarships to minority students and to enable Columbia University to attract more minority professors. By 2007, Kluge's wealth had helped five hundred students pursue their educations. That year he declared that his estate would give Columbia University $400 million after he died.

Promoting cultural and intellectual endeavors, Kluge presented $60 million to the Library of Congress for the John W. Kluge Center for Scholarship. He financed a $1 million award to honor individuals, such as historian John Hope Franklin, for their overall accomplishments in the humanities. Promoting health advances, Kluge's philanthropy supported research on cerebral palsy and oncology and financed University of Virginia Medical School scholarships, faculty positions, and treatment programs for children.

—*Elizabeth D. Schafer*

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See also: Walter Annenberg; Barbara Cox Anthony; David and Frederick Barclay; Silvio Berlusconi; Michael Bloomberg; Anne Cox Chambers; Charles Ergen; Katharine Graham; Robert L. Johnson; Rupert Murdoch; Samuel I. Newhouse; Kerry Packer; Sumner Redstone; Ted Turner; Oprah Winfrey.

David H. Koch

American industrialist

Brothers Charles G. and David H. Koch built a family business, Koch Industries, Inc., into the second-largest privately owned firm in the United States. David Koch has been a leader in the Libertarian Party, using his vast fortune to fund conservative causes and many medical, educational, and arts institutions.

Born: March 5, 1940; Wichita, Kansas
Also known as: David Hamilton Koch
Sources of wealth: Inheritance; oil; real estate
Bequeathal of wealth: Spouse; children; charity

Early Life

David Hamilton Koch (kohk) and his twin brother, William, were born in Wichita, Kansas, on March 5, 1940, to Frederick "Fred" Chase Koch and Mary Robinson Koch. Fred, the son of a Dutch immigrant, grew up in Texas and graduated with a degree in chemical engineering from the Massachusetts Institute of Technology (MIT) in 1922. In 1925, he moved to Wichita and made the city his home. By the late 1920's, Fred had cofounded an engineering company that developed an improved method for converting crude oil into gasoline. Fred took this new technology to the Soviet Union, returning to the United States as a fervent anti-Communist who would become a charter member of the John Birch Society.

In 1932, Fred married Mary Robinson. The daughter of a Kansas City surgeon, Robinson had also been educated in the Boston area, at Wellesley College, and at the Kansas City Art Institute. She was an accomplished silversmith and had a lifelong interest in drawing and painting. Just as Fred would pass his abilities in engineering and business and his commitment to conservative politics to three of his four sons, Mary instilled a love of the arts in all four boys.

David, his twin brother Bill, and older brothers Fred and Charles G. grew up in Wichita in a large, elegant home across the street from the Wichita Country Club, but they spent much of their summers on family ranches in Montana and Kansas, where their father insisted they learn the value of hard work. David attended preparatory school at Deerfield Academy in western Massachusetts and then followed his father and older brother to MIT, from which he earned bachelor's (1962) and master's (1963) degrees in chemical engineering. While an undergraduate at MIT, the tall Kansan was a basketball star and captain of his team, scoring a three-year average of twenty-one points per game.

First Ventures

In the mid-1960's, Rock Island Oil and Refining Company, which David's father ran, was rapidly expanding its holdings in ranch land in Montana and Texas and its co-ownership of refineries, and the firm was introducing new industrial products in its manufacturing units. Charles joined the company in 1961. The twins, David and Bill, five years younger than Charles, soon followed suit and took executive positions in the family company. In 1967, Fred C. Koch named his second son, Charles, the chief executive officer, bypassing the eldest son, Fred, who had majored in liberal arts in college, had no interest in engineering projects, and had become estranged from his father. Fred C. Koch died the next year and soon after his death the company's name was changed to Koch Industries, Inc. David would become executive vice president of the company. In the 1970's, Koch Industries diversified into petrochemicals, real estate, oil trading services, oil exploration, and drilling. By 1974, company sales exceeded $2 billion.

David's brother Charles cofounded the Cato Institute in 1977, and since that time David has been a generous donor to the conservative think tank, serving on its board of directors. In the 1980 presidential election, David Koch was the Libertarian Party candidate for vice president. Koch and his running mate, California lawyer Ed Clark, received slightly less than one million votes in the popular election, making the Clark-Koch ticket the most successful Libertarian candidacy in American history. Koch broke with the Libertarian Party in the mid-1980's, but he has continued to be associated with and financially supportive of conservative advocacy groups, including Americans for Prosperity, the Reason Foundation, and the John M. Olin Foundation. In 1986, he helped found Citizens for a Sound Economy.

Mature Wealth

By1979, David's twin brother, Bill, had become increasingly displeased with his role in the family business, which continued to expand and diversify. Bill wanted freer access to company information and some means by which a fair market price could be assigned to Koch Industries' stock. Joined by the eldest brother, Fred, who had been relatively removed from company affairs, Bill launched a proxy fight intended to remove Charles from his position of leadership. David sided with Charles in what became a family feud that would be litigated for decades and would cause a permanent rift among the brothers. In 1983, Charles and David Koch, the majority owners of Koch Industries, and other company officials bought Bill and Fred's shares in the company for approximately $1.1 billion in cash. Later, Bill would return to court, claiming that he and his brother had not received a fair price for their interests.

By 1996, Koch Industries had revenues approaching $30 billion. The firm had become an international company, adding offices in London and Singapore to the corporate headquarters that remained in Wichita. (By 2009, the company employed eighty thousand people in sixty countries.) In 2004-2005, the firm made international business news with two huge acquisitions: the INVISTA textile unit from E. I. du Pont de Nemours and Company for $4.2 billion and Georgia-Pacific Corporation for $13.2 billion in cash, plus the assumption of $7.8 billion in debt. With these massive additions, Koch Industries' revenues reached $98 billion in 2007, making the firm the second-largest privately owned company in the United States. In March, 2010, *Forbes* magazine estimated David Koch's personal wealth at $17.5 billion, making him the twenty-fourth-wealthiest man in the world.

David Koch has been a benefactor of cancer prevention causes since his successful bout with prostate cancer in 1995. In 2006, he endowed the David H. Koch Cancer Research Building at Johns Hopkins University with a donation of $20 million, and he served on the board of directors of the Prostate Cancer Foundation. A $100 million gift to his alma mater, MIT, was used to construct the David H. Koch Institute for Integrative Cancer Research. Another alma mater, Deerfield Academy, received a $68 million gift to finance the construction of the Koch Center for mathematics, science, and technology. The philanthropist is a major contributor to the Public Broadcasting Service (PBS) science program *Nova* and donated $20 million to the American Museum of Natural

The David H. Koch Theater at Lincoln Center

David H. Koch, co-owner and executive vice-president of Koch Industries, in 2006 announced a gift of $100 million to be allocated over a ten-year period for renovation, operation, and maintenance of the New York State Theater at Lincoln Center. Subsequently, the theater was renamed the David H. Koch Theater in honor of the billionaire industrialist's gift. The theater, which occupies the south side of the main plaza at Columbus Avenue and Sixty-third Street, is home to both the New York City Ballet and the New York City Opera.

The New York State Theater was designed by influential American architect Philip Johnson, with the assistance of Richard Foster, as part of New York State's participation in the 1964-1965 World's Fair. The state and the city each made contributions estimated at $15 million for the theater's construction. The building ultimately took two years, fifty-two subcontractors, one thousand construction workers, and $19.3 million to complete. After the fair, ownership of the theater was transferred from the state to the city of New York.

The beaded curtain covering the glass windows at the front of the theater contains eight million metal balls, one for every New York City resident at the time of its construction. Examples of modern art, including works by Jasper Johns, Lee Bontecou, and Reuben Nakian, decorate the theater lobby. The theater accommodates 2,575 in a continental-style seating arrangement on the orchestra level, four main balconies, and a small balcony ring.

The New York City Ballet (NYCB) was founded in 1948 by George Balanchine and Lincoln Kirstein, with Leon Barzin as musical director and Balanchine and Jerome Robbins as founding choreographers. In 1964, the company took residence in the New York State Theater, which architects Johnson and Foster had designed to Balanchine's specifications. NYCB has a second permanent venue at the Saratoga Performing Arts Center, in Saratoga Springs, New York. Under the decades-long inspiration of Balanchine and Robbins, NYCB introduced innovative works and expanded its repertoire, which became the largest of any American ballet company. Peter Martins, who began his association with NYCB as a dancer in 1967, shared ballet master duties with Balanchine, Robbins, and John Taras in the 1980's and became sole director of the company in 1990.

The New York City Opera since its inaugural performances in 1964 has offered its audiences a wide-ranging repertory from many periods of music history, including twenty-nine world premieres and sixty-one New York or American premieres of notable operas. A leading advocate of new talent, the opera company has helped launch the careers of thousands of singers, including José Carreras, Plácido Domingo, Renée Fleming, Bejun Mehta, Beverly Sills, and Tatiana Troyanos. In 1983, the New York City Opera became the first American company to use supertitles, opening the opera experience to a wider audience. The company's education programs introduce students to English-language versions of operas.

History in 2006 to finance construction of the David H. Koch Dinosaur Wing. His gift of $100 million to the New York State Theater at Lincoln Center was the largest single donation in the performance site's history. The David Koch Hall of Human Origins at the Smithsonian Institution opened on March 17, 2010.

In May, 1996, longtime bachelor David Koch married thirty-two-year-old Julia Flesher, originally from Conway, Arkansas, at his home in Southampton, Long Island, New York. The ceremony was performed by the dean of the Cathedral of St. John the Divine. The bride, a former model, who, as an assistant to fashion designer Adolfo had dressed First Lady Nancy Reagan in the designer's clothes, is known as a fashion leader. Julia Koch joins her husband in frequent and successful fund-raisers for cultural events and charitable causes. In 1998, the Kochs moved into the Fifth Avenue apartment previously owned by Jacqueline Kennedy Onassis, for which Koch paid $9.5 million; in 2003, the family, along with Julia's mother and three nannies, moved into a $17 million apartment at 740 Park Avenue. David and Julia Koch have two sons and a daughter and maintain additional homes in Palm Beach, Florida, and Southampton.

Legacy

Koch Industries, Inc., for which David Koch serves as executive vice president, has grown from a small engineering and oil company cofounded by his father in the 1920's into a multibillion-dollar international enterprise with dozens of subsidiaries and tens of thousands of employees in scores of countries. Koch has championed conservative causes for decades and was a vice presidential candidate on the Libertarian Party ticket in 1980. Since then, the billionaire has influenced the political agenda of the Republican Party. His gifts to medical, educational, and arts institutions have broken previous records and often shaped the futures of recipient institutions.

—*Carolyn Anderson*

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See also: Vagit Alekperov; Hugh Roy Cullen; Edward L. Doheny; Alfred I. du Pont; Henry Francis du Pont; Irénée du Pont; J. Paul Getty; Armand Hammer.

Ivar Kreuger

Swedish industrialist

Kreuger was one of the richest men in the world during the early twentieth century. His wealth, derived primarily from international match monopolies, was several hundred million dollars, equal to about $75 billion in 2010. However, he dissipated his personal fortune and that of his companies by perpetuating one of the largest financial frauds in history.

Born: March 2, 1880; Kalmar, Sweden
Died: March 12, 1932; Paris, France
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Dissipated

Early Life

Ivar Kreuger (EE-vahr KREW-gehr) was born on March 2, 1880, in Kalmar, Sweden. After high school, he studied engineering in Stockholm. Attracted by the wealth of New York City, Kreuger moved there in 1899 and worked for a construction firm. He helped build many city landmarks, including Macy's department store, the Flatiron Building, and the Plaza Hotel. Tired of enriching others, Kreuger returned to Sweden and formed a construction company with Paul Toll in 1908.

First Ventures

Kreuger & Toll incorporated in 1911 and contracted to build Stockholm's first skyscraper, a six-story department store. They committed to pay $1,200 per day if the work was not finished in four months and to receive $1,200 per day if completed early. Kreuger arranged a system of tarpaulins, searchlights, and heating facilities, letting work proceed around the clock. The project was completed in two months, generating a $70,000 bonus.

To expand his wealth, Kreuger became involved in his family's safety match business and began acquiring competing firms in 1913. In 1917, he purchased his main competitor and developed a match monopoly in Sweden.

Mature Wealth

Competition from countries with cheap labor was a perennial problem, so Kreuger sought to obtain an international match monopoly. His agents posed as buyers, making low bids for companies. Kreuger then made a better offer, which was usually accepted since it looked good in comparison. When he owned several factories in one country, he would shut them down, building one efficient factory to destroy the remaining competition. Frequently, Kreuger paid royalties to governments in return for a match monopoly. Usually, he also lent the government money by purchasing its bonds, and he would pay for the bonds by borrowing from banks and floating stock. Kreuger formed two holding companies—Continental Investment Corporation and the International Match Corporation. In the 1920's, the companies owned plants that produced two-thirds of the world's matches and their stock was among the most widely held in the world.

Sadly, Kreuger's empire rested on shaky foundations. His accountants knew little accounting, and Kreuger refused to let them audit his books. There were no independent directors to supervise his activities, so Kreuger was able to overstate sales and buy his own stock to support its price. He made a deal with the Polish finance ministry, and when the nation's legislature rejected it, Kreuger pretended that the deal went through, giving investors an overblown picture of company earnings potential. After a deal with Italian leader Benito Mussolini fell through, Kreuger counterfeited forty-two Italian bonds, each with a face value of £500,000 and a forged signature of the Italian finance minister.

In 1929, when the stock market crashed, Kreuger's stocks kept their price because they paid high dividends and he bought his own stock on margin. However, these tactics required new money, and banks and investors had little money available. To obtain funds, Kreuger used his government bonds as collateral for loans and then as collateral for additional loans.

In late February, 1932, Kreuger had debt payments due, and he had to make stock dividend payments on March 1. His employees pressed Kreuger to sell the phony Italian bonds for cash.

With his empire collapsing, on March 12, 1932, Kreuger committed suicide in his Paris apartment by shooting himself. Stock in Kreuger's companies plummeted after he killed himself and was soon selling for just pennies.

Legacy

Shortly after his suicide, an audit uncovered the counterfeit Italian bonds and revealed that many assets on Kreuger's books were worth less than their stated value. His companies were $1.2 billion in the red and they declared bankruptcy, which at the time was the largest bankruptcy in history. Kreuger himself was $265 million in debt.

It is still unclear where all the money went. Kreuger spent money lavishly on others, attempting to impress them. He had mistresses in most major European cities, and he wined and dined famous women, such as film star Greta Garbo. However, this accounts for just a fraction of the losses. Attempting to prevent the sort of fraud that Kreuger perpetuated, Congress made the public accounting profession responsible for auditing the financial reports of companies, and the New York Stock Exchange requires audits of all new listings and periodic audits of all public companies.

—*Steven Pressman*

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See also: Alfred Nobel.

Joan Kroc

American philanthropist

Kroc inherited her wealth from second husband Ray Kroc, president and owner of McDonald's Corporation. She used the money to fund antiwar, disarmament, social, and cultural institutions, primarily in the United States and focusing heavily on San Diego, California.

Born: August 27, 1928; West St. Paul, Minnesota
Died: October 12, 2003; San Diego, California
Also known as: Joan Beverly Kroc; Joan Beverly Mansfield (birth name); Saint Joan of the Arches
Sources of wealth: Marriage; sports franchise
Bequeathal of wealth: Charity; educational institution

Early Life

Joan Beverly Kroc (krahk) was born Joan Beverly Mansfield, the daughter of a railroad worker father and a musician mother. She studied at the McPhail School of Music in Minneapolis, Minnesota, and at the age of fifteen she began teaching music at the California State Capitol Museum. She married Roland Smith in 1945, and with him had her only child, a daughter.

In 1958, she was playing piano at a bar in St. Paul, Minnesota, when Ray Kroc came in. He found her beautiful, according to his biography, and allegedly they began a secret affair that lasted for six years. Neither Kroc nor Mansfield was willing to divorce until 1963, when Kroc finally divorced his second wife, expecting to marry Mansfield. Instead, she ended her affair with Kroc for the next six years. In 1969, Mansfield divorced Smith, went to a national conference of Kroc's company, McDonald's Corporation, and reconnected with Kroc, whom she married later that year.

First Ventures

Although Joan Kroc enjoyed the rich lifestyle afforded her by her husband's wealth, buying yachts, airplanes, and houses, she quickly turned her efforts to supporting and creating charitable institutions about which she felt strongly. However, in 1976, becoming bored with simply being on the boards of various charities, Kroc founded Operation Cork, designed to help family members of alcoholics, as well as the alcoholics themselves. The organization provided publications and access to information for people needing help dealing with the problems of alcoholism. In 1978, Operation Cork founded Project Cork at Dartmouth University. Project Cork is a clearinghouse for medical and professional information about alcoholism and drug addiction and is designed to maintain easily accessible, current information on treatment and pathology of these conditions.

Mature Wealth

Joan Kroc's charitable inclinations flourished in 1984, after Ray Kroc died and left her a fortune of approximately \$1.7 billion and ownership of the San Diego Padres baseball team, which placed her on the *Forbes* magazine list of the richest people in the world. Although she knew little about sports management, Kroc took over control of the Padres, and the team won its first National League pennant that year. After managing the team for six years and creating the first assistance program for baseball players and other team employees with addiction problems, Kroc attempted to donate ownership of the Padres to the city of San Diego, which would enable the city to use the money it earned from the team for civic uses. However, the baseball commissioner disallowed this donation, and Kroc sold the team in 1990 for $75 million. While owner of the Padres, Kroc funded many local San Diego and national charities, such as the Salvation Army, of which she was a loyal and generous supporter.

After selling the Padres, Kroc devoted her full time to philanthropy. Preferring to donate her money anonymously, she liked to surprise organizations with large sums of money. Many times she explained that giving away money made her happy and knowing that people did not expect it made it even more fun. Her style of giving was predicated on learning about and assessing people and organizations in need. She would not give funds to any organization that sought her out or tried to solicit money from her. Instead, she liked to be moved by a pressing need and try to help. For example, while watching the television news and learning of the devastating floods occurring in Grand Forks, North Dakota, she flew to the region and anonymously donated $15 million to be given directly to the citizens displaced by the floods.

Although she made donations to many groups, she had a particular interest in organizations involved in developing world peace, disarmament, cultural activities, and community-based facilities, especially for the disenfranchised and for children. She was a lifelong Democrat and donated money to candidates and causes affiliated with the Democratic Party, only once contributing to a Republican.

Joan B. Kroc Institute for International Peace Studies, University of Notre Dame

In 1986, Joan Kroc founded the Joan B. Kroc Institute for International Peace Studies at the University of Notre Dame, a predominantly Catholic institution. After meeting with the Reverend Theodore M. Hesburgh, who, like Kroc, was staunchly antinuclear and pro-disarmament, Kroc gave $6 million to enable Notre Dame to start a peace studies program. The program would eventually offer courses and degrees in peace studies for both undergraduate and graduate students. In 1970, Kroc gave another $6 million to build the Hesburgh Center for International Studies. Upon her death in 2003, she bequeathed $50 million to the program and institute—the largest single donation ever made to Notre Dame.

In 1998, Kroc founded the Joan B. Kroc Institute for Peace and Justice at another Catholic school, the University of San Diego, with a gift of $25 million. Like its predecessor at Notre Dame, this institute was designed to develop world leaders committed to a nonviolent future. It was Kroc's intention to provide an academic home for a facility dedicated to creating peaceful solutions to world crises. She wanted people to be educated, informed, and able to create actual change in the world. Her guiding principle was that people should first talk about peace and then go forth into the world to implement peace and justice. The institute began operating in 2000, featuring a lecture series, publishing opportunities, conferences, and educational experiences, all of which were designed to create future peacemakers. In 2007, the University of San Diego was able to open the Joan B. Kroc School of Peace Studies, which encompasses the Joan B. Kroc Institute for Peace and Justice and offers a master's degree program in peace and justice studies.

Although based in Catholic universities, both institutes are ecumenical, calling on people from all countries and faiths to join together to develop peace- and justice-based solutions for terrorism, armed conflict, the arms race, nuclear proliferation, and other problems derived from conflict. The institutes conduct studies of the effects of war and terrorism and grant degrees to students, who are required to serve a yearlong internship in a conflict-ridden area, such as Israel, Northern Ireland, Gaza, and South Korea.

In 1985, the Joan B. Kroc Foundation gave $18.5 million to create the San Diego Hospice, the first of Kroc's enormous long-term charity projects. In 2002, she endowed the Salvation Army in San Diego with $87 million in order to build the Kroc Center, a large educational and recreational facility in San Diego. Other San Diego organizations that experienced her largesse include the San Diego Zoo and the San Diego Opera, and she made funding available to the University of San Diego for student loans. Other groups, including the University of Notre Dame, the St. Vincent de Paul Kroc Center for the Homeless, National Public Radio, the Special Olympics, the Helen Woodward Animal Center, the Betty Ford Center, and the Salvation Army, also received substantial amounts of support from Kroc. She funded Ronald McDonald House Charities, in honor of her husband, and she is credited with a $50 million contribution, the largest single-source donation ever made to these charities. She also donated $5 million to acquired immunodeficiency syndrome (AIDS) research.

Joan Kroc died of brain cancer at her home in Rancho Santa Fe, a suburb of San Diego, California, on October 12, 2003. At her death, she left a long list of bequests to her favorite charities, including $225 million for National Public Radio (NPR)—the single largest gift ever made to a cultural institution. Not expecting the money, NPR officials were concerned that the size of this bequest would discourage regular listeners from donating, hurting the organization in the long run. Kroc left NPR an endowment in order to thank the radio network for its coverage of the Iraq War, which she strongly opposed; she believed that NPR was the only media organization telling Americans the truth about the conflict. She also left the Salvation Army $1.8 billion—the largest individual charitable contribution ever made. This bequest was intended to build more community centers based on the design of the Joan B. Kroc Center in San Diego; Kroc's will required that these centers be constructed throughout the United States. Kroc also endowed two major centers for the development of world peace and understanding, a cause dear to her heart: the Joan B. Kroc Institute for Peace and Justice, at the University of San Diego, and the Joan B. Kroc Institute for International Peace Studies, at the University of Notre Dame.

Legacy

Joan Kroc, affectionately known as Saint Joan of the Arches, was a generous benefactor to many organizations. She believed in supporting groups that worked to help people achieve balanced and productive lives. She allocated her resources to try to create world peace and improve world health. Although many benefactors have made considerable donations to these types of charities, Kroc's legacy is her special style of giving. She did not wait until her death to dole out her money. Insead, by giving large sums during her life, she ensured that the organizations did not have to pay inheritance taxes, providing them with the greatest use the donations could afford. She did not require that her funds be used to set up long-term annuities, which is a condition of most large donations. She gave her money for immediate use, so that the groups she supported could achieve concrete and immediate goals.

—Leslie Neilan

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See also: Brooke Astor; Mark Cuban; Doris Duke; Ray Kroc; George Steinbrenner; Ted Turner.

Ray Kroc

American fast food magnate

Starting in his fifties, Kroc built an international multibillion-dollar fast food company, McDonald's Corporation. The company took advantage of social changes in American life and grew so large that the company altered the nation's diet.

Born: October 5, 1902; Oak Park, Illinois
Died: January 14, 1984; San Diego, California
Also known as: Raymond Albert Kroc
Source of wealth: Sale of products
Bequeathal of wealth: Spouse; charity

Early Life

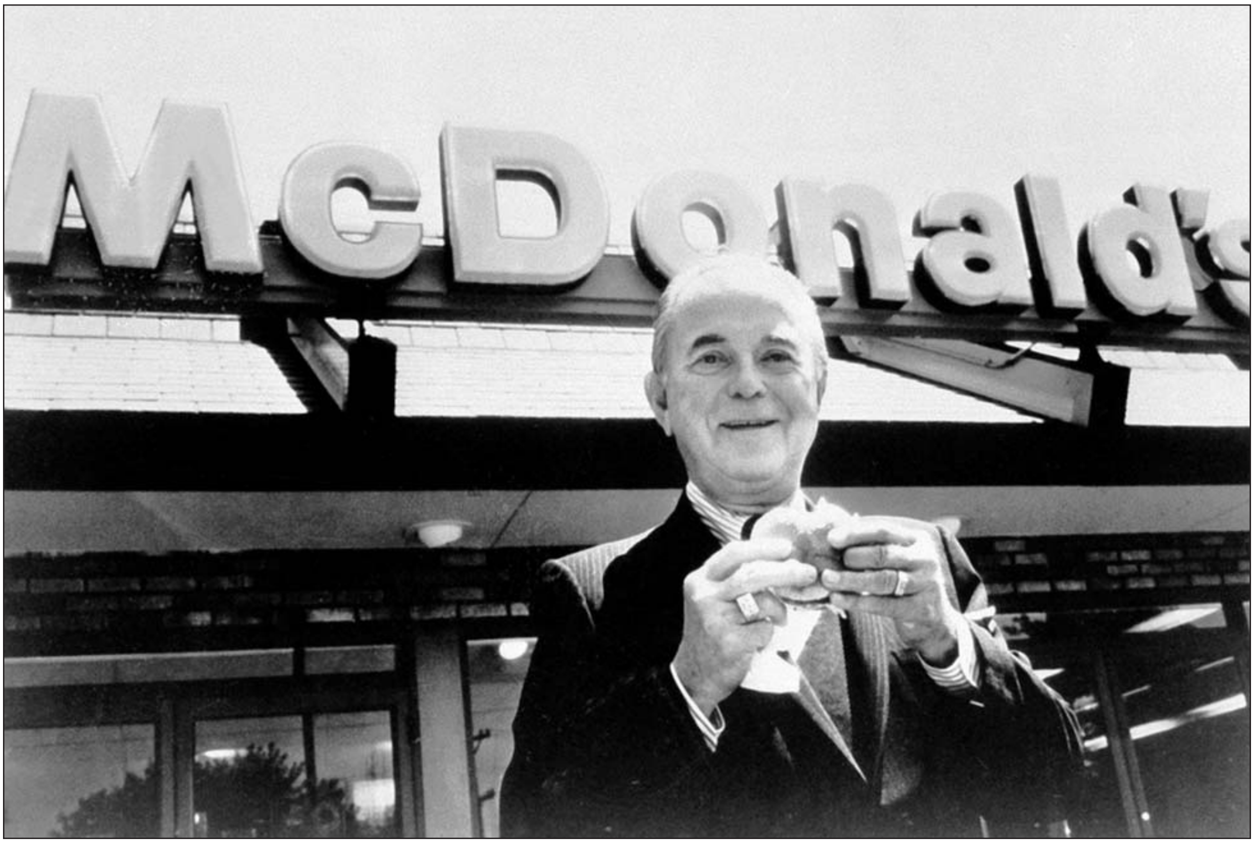
Raymond Albert Kroc (krahk) was born on October 5, 1902, in Oak Park, Illinois. He dropped out of high school to embark on a sales career in the food service industry. His career was marked by consistent success, coupled with a burning desire to take on new challenges.

First Ventures

As a young man, Kroc sold paper cups to restaurants and drugstores in the Midwest. He encountered resistance from store owners who had invested in glassware. In order to win them over, Kroc had to show them that paper cups were much more cost-effective in the long run. This began his fascination with cost analysis, which would be his major contribution to the fast food industry. He then went to work for a manufacturer of multimixers—products used to make several milk shakes at a time. He was such a successful salesman that he eventually bought the multimixer company.

Mature Wealth

By 1954, Kroc saw that the market for multimixers was in steady decline. His primary market, drugstore soda fountains, was quickly disappearing as the pace of American life changed. Independent drugstores had



Ray Kroc enjoys one of his company's hamburgers. (AP/Wide World Photos)

McDonald's fast food drive-in, c. 1956. (Hulton Archive/Getty Images)

been fixtures in cities and small towns, but post-World War II growth was occurring in American suburbs. Kroc constantly monitored his sales and noticed an unusual demand for his mixers from a fast food operation in San Bernardino, California. Kroc visited this restaurant, which was run by two brothers, Richard and Maurice McDonald. Kroc became convinced that their type of fast food restaurant had unlimited nationwide potential. He entered into negotiations with the McDonalds, whose efforts to expand had failed. Kroc opened a McDonald's restaurant in Des Plaines, Illinois, in 1955.

The early years were fraught with obstacles and setbacks. The McDonald brothers did not share Kroc's expansive vision and were careless about the legal intricacies of franchising. Kroc was a master salesperson, but he lacked the financial acumen needed for rapid growth. In a few years, Kroc had set up a leadership team headed by Harry Sonnenborn and Julie Martino, and steady growth began at the cost of major sacrifices by Kroc, including the end of his first marriage.

Kroc formulated the core values of McDonald's restaurant chain: The chain would provide inexpensive food in a family-friendly atmosphere, with high standards of service and food quality. His sales background prompted him to offer extensive support to his franchises, unlike most chains, which viewed franchises simply as a source of revenue. Kroc never hesitated to terminate suppliers who cut corners on quality. He was also intensely loyal to cooperating suppliers. Some of them, like Interstate Bakery and J. R. Simplot Company, an agribusiness company that supplied Kroc with potatoes, grew into major corporations in their own right as a result of their associations with McDonald's.

Along with product quality, Kroc made product innovation a key to McDonald's success. The chain's original hamburger, fries, and shake were joined by the Big Mac, Quarter Pounder, and fish sandwich. Kroc's major product introduction was the launch of a national breakfast menu in 1977. Since then, millions of Americans have made a morning trip to McDonald's to purchase the chain's breakfast items. Not all the new products caught on, and Kroc was personally responsible for some of the flops, such as strawberry shortcake and pound cake. However, his insistence that innovation was key to success became part of the McDonald's corporate culture.

After 1969, Kroc reduced his role in the corporation's day-to-day operations but never truly retired. He would watch a nearby franchise through binoculars, and his observations led the company to add a second drive-through window at the stores. He lectured frequently and embarked on charity work in the areas of diabetes and arthritis research. Well into his eighties, he was living an active life until two strokes finally slowed him down in the year before his death in 1984.

Legacy

Ray Kroc established a model for the fast food business that has been widely copied. For most of his adult life, his McDonald's Corporation was the face of fast food in America. The consistent growth of his restaurant chain continued after his death.

Pundits and historians will argue endlessly about the impact of Kroc's innovations on American lifestyle and diet. On the plus side, McDonald's provides inexpensive food and consistent quality. Although it was not a Kroc innovation, the Ronald McDonald House Charities, which began in Philadelphia in 1974, are a model of corporate service to the community. On the negative side, however, the nutritional value of fast food has drawn increasing scrutiny over the years, prompting the company to add healthier menu items and to work to change its image in the twenty-first century. The one thing that seems certain is that the McDonald's Corporation will continue to change in the spirit of its dynamic founder, Ray Kroc.

—*Michael Polley*

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See also: Philip Danforth Armour; Roberto C. Goizueta; W. K. Kellogg; Joan Kroc; Reginald F. Lewis; C. W. Post; Marjorie Merriweather Post; Louis F. Swift.

Alfred Krupp

German industrialist and steel magnate

Krupp expanded his father's small steel production shop into one of Germany's largest family-run industrial firms, which played a key role in the industrialization of nineteenth century Germany. Krupp also became a major supplier of armaments to countries in Europe and to other nations, and his company's munitions business increased dramatically under his successors.

Born: April 26, 1812; Essen, Grand Duchy of Berg (now in Germany)
Died: July 14, 1887; Essen, Germany
Also known as: Alfried Krupp (birth name)
Sources of wealth: Steel; manufacturing; sale of products
Bequeathal of wealth: Children

Early Life

Alfred Krupp (kroop) was born on April 26, 1812, in Essen in the Grand Duchy of Berg (now in Germany). He was the oldest of four children born to Friedrich and Theresa Krupp. Krupp was tutored by a private teacher until he entered the Gymnasium (humanistic high school), which focused on classical studies. In early 1826, his father, who was in ill health and struggling to save his small steel forge in Essen, took Krupp out of school and taught him about steel production. Krupp's father died six months later, and the fourteen-year-old Krupp had to assume responsibility for helping his mother salvage the bankrupt shop. Krupp wrote a letter for his mother, who could not write High German, in which she announced that her eldest son knew how to make steel and would continue the business. Later in life, Krupp noted that his mother taught him more about the steel business than his father.

First Ventures

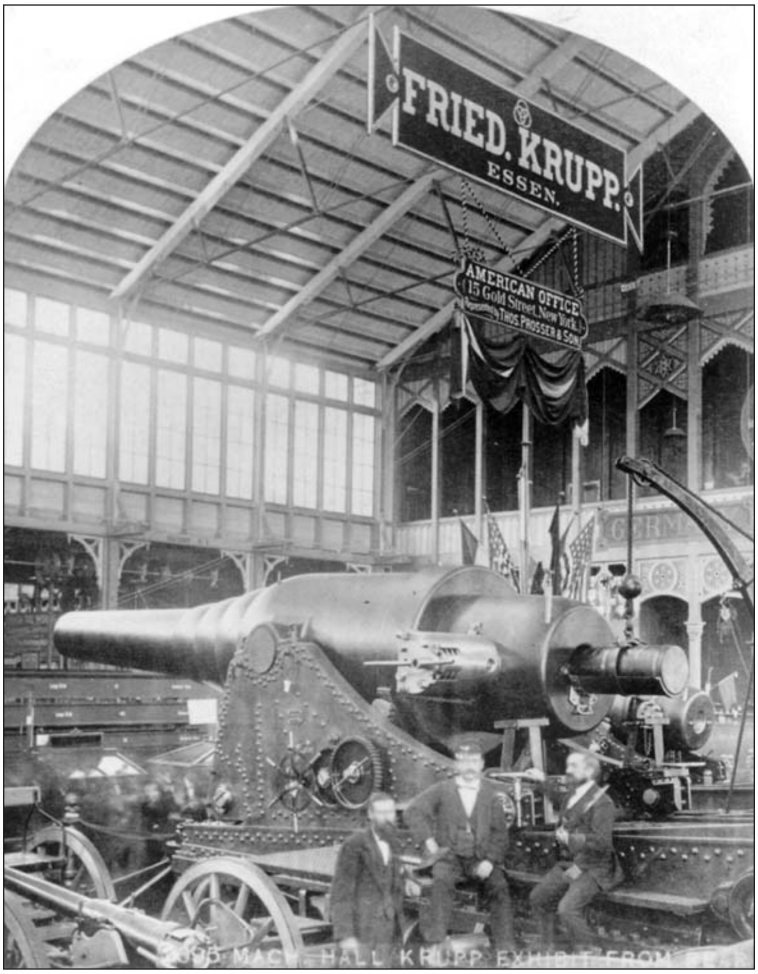
Friedrich had left a debt of 10,000 talers. With the help of her family, Theresa was able to save the steel forge for Krupp and his three siblings. With a workforce of seven people and the assistance of his brothers Hermann and Friedrich, Krupp was limited to the production of steel files, tools, and unfinished steel rollers. Krupp decided to focus on producing finished steel rollers for government mints and for fork and spoon production. In 1831, he visited the south German states and was able to sell his steel rollers to silversmiths. Four years later, he purchased a steam engine to ensure a steady power supply. Krupp was able to obtain small orders for steel rollers from French and Dutch mints. In 1834, the Prussian tariff union, a group of eighteen German states, also promised new markets for his products.

In 1838-1839, Krupp traveled to England and France for fifteen months in order to study steel production. Three years later he was able to establish a spoon and fork factory in Berndorf, Austria. His sales increased, but the economic crisis of 1846-1848, which affected all of Europe, threatened to destroy his accomplishments. His labor force decreased from 128 to 74 workers by 1848. In order to survive the crisis, he used his personal funds, and he received a Russian order for spoon and fork rollers. Theresa consolidated the management of the business by making Alfred the sole owner of the Friedrich Krupp steel factory in February, 1848.

Mature Wealth

Krupp was able to increase his workforce between 1847 and 1857 from seventy-six to more than one thousand employees. The key to Krupp's rapid expansion after 1848 was the massive railroad construction. Between 1852 and 1873, the German rail network increased from four thousand to twenty-four thousand miles. In the 1860's and 1870's, more than half of the Ruhr industrial region's iron and steel output was consumed by rail construction. Krupp was able to demonstrate the quality of his steel at the 1851 London World's Fair, where his two-ton steel ingot received a medal and newspaper publicity. This ingot also impressed Prince William of Prussia, the future Kaiser William I, who visited the Krupp works in July, 1853. The most significant development for the future of Krupp's business came in 1853, when Krupp obtained a patent for a seamless rail tire, or wheel. This invention became particularly important after the adoption of the Bessemer steel production methods, which made steel affordable for mass railroad construction.

Krupp's business was not much affected by the 1857 recession, since he had state rail contracts, and in 1859 he obtained his first Prussian order for steel weapons. In 1861, Krupp built a fifty-ton steam hammer named Fritz, and a year later he constructed the first Bessemer steelworks in Germany. By the 1860's, the Krupp firm had become the largest producer of cast steel on the continent of Europe. By 1864, the firm had sold twelve thousand steel axles for railroads, and after that year thousands of the axles were produced annually for German and world markets. The firm's rail tires were even more successful. Krupp started producing 7,800 steel wheels a month; by 1912, his factory turned out 2.75 million. Krupp



Krupp Works displayed its products at the 1893 Chicago World's Fair. The center of the exhibit was a massive wheeled cannon. (Library of Congress)

Krupp's Colonies of Workers' Settlements

Alfred Krupp was both an authoritarian and a paternalistic industrialist of Essen, his hometown and the headquarters of his company. In a letter written in 1866, Krupp noted that people would benefit from secure housing, and four years later Krupp wrote of the need to convince his workers that he was doing everything possible for them. His social programs for his workers, which included health and pension insurance and massive housing projects, were based upon three motives: He wanted to secure the recruitment of new workers for the Krupp factory. He wished to retain his trained, long-term workers (*Stammarbeiter*). Finally, he provided programs to ensure the loyalty of his workers and make them immune to pressures from a growing labor movement. He was particularly concerned about the influence of socialist organizations.

The housing issue was most crucial for Krupp, and the resolution of this problem was the key component of his welfare system for his workers. The population of Essen increased from seventy-two hundred to fifty thousand between 1850 and 1870, and much of the increase was due to Krupp's demand for workers. Krupp's firm hired more than seven thousand new employees in the 1860's, who together with their families totaled between twenty-five thousand and thirty thousand people. During this decade, living conditions for these workers were miserable. For example, in one district of Essen in 1864, about twenty-four people were crammed into each house. This congestion was unhealthy and contributed to a cholera outbreak in 1866. The Krupp firm noted that the workers and their families were most affected by the illness.

The city of Essen did not address the housing problem, but Krupp did. Krupp first constructed ten homes for his master workers, and beginning in 1856 he also started to provide hostels for single employees. Between 1870 and 1873, the Krupp workforce increased by forty-five hundred employees. In response, a massive workers' colony with twelve hundred apartments was constructed along the Freistattstrasse and additional colonies were built in the suburb of Altendorf. About 75 percent of the housing that Krupp constructed was located in Altendorf, and about one-third of his employees lived in this area.

The housing construction program was completed in 1876, and it resulted in 3,277 new homes and apartments, with an average of seven people living in each Krupp home. Krupp's housing projects also contained a company consumer store, post office, beer hall, and park. Hospital, school, and church facilities were also provided in order for workers to identify with the firm. By early 1874, the Krupp firm had spent $10.5 million marks on social programs for its workers. Krupp provided affordable and healthier housing, but he also used housing monitors to control the behavior of his workers. These monitors reported on the newspapers the workers read and whether they supported the socialists. Workers who were fired lost their housing privileges. Ironically, the Krupp housing project was praised by the socialist newspaper *Duisburger Freie Zeitung*, and Krupp faced comparatively fewer major strikes than other firms. Krupp, however, could not stem the tide of organized labor, which in 1877 elected a former Krupp worker from Essen to serve in the Reichstag.

not only supplied the German rail market with steel but also furnished the rail industries in the United States, Russia, China, Venezuela, and the Far East. The company in 1875 adopted as its firm's symbol three wheels placed on top of each other.

The firm's success was reflected in the growth of its labor force. Between 1861 and 1865, the workforce expanded from 2,108 to 8,248 employees and the company's gross production value increased almost fourfold. Krupp introduced new methods of making steel in order to meet various market demands, including the Siemens-Martin process, which produced better steel than that originating from the Bessemer process. To meet the various steel demands and remain aware of new discoveries, Krupp built four steel production works in fifteen years. He also retained his interest in armaments. Krupp sold fifteen hundred cannons between 1847 and 1877, but between 1877 and 1889 the number increased to nine thousand cannons sold to various countries. Already in 1864, a Berlin newspaper called Krupp "the king of cannons." However, Krupp never earned more than one-third of his total sales revenue from the sale of weapons.

Krupp also established a vertical and a horizontal monopoly by purchasing coal and iron mines, a shipping line to transport the raw material, and steelworks to control production and competition. The economic recession of 1873-1874 had a particularly harsh impact on Krupp because the firm had expanded too rapidly. To Krupp's consternation, he had to obtain a loan from a bank consortium organized by Prussian authorities. By 1887, he had repaid the loan, one year before it was due, and his labor force of twenty thousand made Krupp's company the world's largest steel-producing firm.

Krupp always subordinated his private life to his business activities. He married Bertha Eichhoff in 1853, but Krupp admitted that his real bride was his factory. His wife liked to live in resorts and spas outside Essen. The couple's only child, Friedrich Alfred, nicknamed Fritz, was born on February 17, 1854, in Essen, and he began participating in his father's business in 1875. Krupp was a stern and apparently cold father who would not allow Fritz to study science at a university. At age twenty, Fritz traveled to Egypt for his health, but his father was more interested in information about Egyptian railroads. In his will, Krupp stipulated that Fritz, his heir, could not use the firm's income for personal enrichment but had to use these funds to expand Krupp industries. Krupp built a mansion for his wife, the Villa Hügel in Essen, but his wife left him and moved to Leipzig in 1882. When Krupp died of a heart attack on July 14, 1887, he was alone, except for his valet.

LEGACY

Alfred Krupp created one of the largest family-controlled industrial firms in Germany. His company played a key role in the early industrialization of the Prussian Rhineland provinces and later contributed to the phenomenal economic growth of a united Germany after 1871. His son Fritz doubled the firm's labor force between 1887 and 1902 and increased the value of the company's transactions by almost 150 percent.

Because of Krupp's interest in selling his steel products to the military, the Krupp name became synonymous with the arms trade and with supplying Germany with armaments during the two world wars. Krupp's firm profited from arms production, but under Krupp's leadership only 36 percent of the total business depended on the sale of war material. Moreover, between 1875 and 1891, 82 percent of Krupp's war material was sold to foreign countries. The Krupp company survived Germany's defeat in two world wars and the trial and conviction of Alfried Krupp von Bohlen und Halbach for war crimes in 1948. However, because of major financial problems in the late 1960's, the firm was transformed from a family company into a public stock company.

—*Johnpeter Horst Grill*

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See also: Andrew Carnegie; Samuel Colt; Henry Clay Frick; Bertha Krupp; Henry Phipps; Joséphine de Wendel; Basil Zaharoff.

Bertha Krupp

German industrialist

For nearly half a century, Krupp was the wealthiest person in Germany, inheriting her father's vast industrial empire when she was only sixteen. Krupp's company was the driving force in arming Germany in two world wars, and by the twenty-first century it had merged with Thyssen AG to become one of the world's leading steel producers.

Born: March 29, 1886; Essen, Germany
Died: September 21, 1957; Essen, West Germany (now Germany)
Also known as: Bertha Krupp von Bohlen und Halbach
Sources of wealth: Inheritance; steel; manufacturing
Bequeathal of wealth: Children; relatives

Early Life

Bertha Krupp (BUR-thuh kruhp) von Bohlen und Halbach was born on March 29, 1886, at the Villa Hügel, the three-hundred-room Krupp castle in Essen, Germany. The Krupps first settled in Essen in 1587 and made a huge fortune as arms manufacturers for the king of Prussia. Krupp armaments helped Prussia unite Germany under its auspices in 1871 following three different wars fought during the previous seven years. Bertha was the first child of Friedrich Alfred "Fritz" Krupp (1854-1902) and his wife, Margaret (1854-1931), the daughter of the Prussian baron August Freiherr von Ende. Bertha's sister Barbara was born in 1887. The family had no other children, and the lack of a male heir became a major problem for the Krupp industrial dynasty.

Friedrich Alfred Krupp, a financial genius, saw his business quickly increase, the result both of the rapid expansion of the German navy in order to challenge Britain's dominant position and of the royalties the Krupp firm received from the specialized armor plate produced by arms manufacturers worldwide. On November 22, 1902, after playing with his two daughters, Friedrich retired to his bedroom and put a bullet in his head. One week before, the Socialist magazine *Vorwärts* had written an article exposing Friedrich's sexual liaisons with local boys and men, as well as with boys obtained from Capri, Italy, and transported to the Bristol Hotel in Berlin.

After her father's suicide, almost all of the Krupp corporate shares were inherited by Bertha, who was now responsible for the more than sixty-three thousand workers who depended on Krupp armaments and steel manufacturing for a living. Bertha's sister Barbara received a large cash settlement but was accorded no ownership role in the company. As specified in Friedrich's will, the family business was converted into a stock corporation in 1903, when it became known as Friedrich Krupp AG. After the conversion, Bertha owned all but a fraction of the firm's shares. However, until she turned twenty-one, the company's profits would belong to her mother.

Although Bertha could own a megacorporation, it was not acceptable in early twentieth century Germany even to fantasize that a woman could direct one. It soon became the responsibility of Kaiser William II of Germany to find a suitable husband for Bertha who could manage the industry upon which much of German military power depended. In the spring of 1906, Bertha was sent to Rome to meet the counselor to the Prussian delegation at the Vatican, Gustav von Bohlen und Halbach (1870-1950). Gustav's mother was the daughter of Henry Bohlen, a U.S. Civil War brigadier general who was killed in battle in 1862. She had married a wealthy German aristocrat who made a fortune in Philadelphia and then decided to return to Germany. Bertha did her duty for country and corporation and accepted the rapid marriage proposal of Gustav, who was sixteen years her senior and a classic case of an obnoxious obsessive-compulsive personality, particularly as it related to punctuality and efficiency. He was also a head shorter than his wife, which made their appearance together in public a bit embarrassing.

First Ventures

Bertha and Gustav were married at Villa Hügel in a wedding presided over by Kaiser William II and attended by everyone who mattered in the German military. At the end of the wedding, the kaiser granted Gustav the right to bear the name Krupp von Bohlen und Halbach and to pass on this name to his successors as owners of the company. However, the kaiser challenged Gustav to be worthy of the name Krupp. After the wedding Gustav was appointed to the supervisory board of Krupp AG, which he chaired from 1909 until the end of 1943. Within a year after their marriage, a son, Alfried (1907-1967), was born to the newly married couple, and the kaiser gladly accepted the honor of being godfather. The couple had seven other children, but only Alfried was legally permitted to bear the surname Krupp.

During their marriage, Bertha functioned as a kind of queen of the Ruhr Valley, with her husband Gustav playing the role of prince consort. She presided over numerous honorary functions both in Essen and at the factory. An annual gathering of workers was held at Villa Hügel, at which Bertha pinned silver and gold trademark medals on the lapels of employees who had worked for the firm for twenty-five and fifty years, respectively. She conducted numerous factory tours to bolster morale and to remind the workers that she was the person for whom they actually worked. She also became famous in Essen for her charitable works, visiting hospitals and nursing homes to provide support for ailing workers. Although many of her actions may have been token efforts, Krupp workers and their families had genuine affection for Bertha.

Mature Wealth

The outbreak of World War I brought a huge increase in armaments production and a further expansion of the company. In order to fulfill government contracts, Krupp AG's munitions output was doubled in the first year of the war, and by the third year it had reached more than five times its pre-1914 level. The firm constructed many new factories, and the size of its workforce accelerated; by the end of the war, the number of employees totaled 168,000. One of the most famous products of World War I was a mammoth 16.5-inch siege cannon named after Bertha Krupp; Big Bertha could fire a twenty-two-hundred-pound shell with pinpoint accuracy of more than nine miles. A total of twenty-seven of these cannons were built, and at the beginning of the war they were used to decimate Belgian forts, as Germany launched its Schlieffen Plan to capture Paris. At the end of the war, the Allies named Gustav Krupp as one of the German industrialists to be tried as a war criminal, but these trials were never conducted.

Because the manufacture of war-related materials was prohibited under the 1919 Treaty of Versailles, the Krupp company was forced to change its production after World War I. Manufacture of locomotives, motor trucks, and agricultural machinery replaced armaments as the mainstay of the firm's business. The changeover was extremely costly and mandated drastic cutbacks in the company's workforce. However, under the surface the company secretly continued to manufacture arms, especially after the Allied Commission left Essen in 1926, and the firm also planned for a full-scale resumption of arms manufacturing.

During the French occupation of the Ruhr Valley in 1923, Gustav was imprisoned for resisting French orders. For the first time in his life he became a popular figure. However, Gustav was blamed for violent riots, fined 100 million marks, and sentenced to fifteen years in prison. Bertha, who had to suffer the indignity of the French occupation of the Villa Hügel, frequently visited Gustav, who was released after several months.

The Great Depression hit industrial centers hard. More than half of the forty thousand Krupp company workers were unemployed in 1931, and those who were employed usually worked only three days a week. The

The Lex Krupp

Following Gustav Krupp von Bohlen und Halbach's major stroke in 1941 and his evident decline into senility, Nazi Party leader Adolf Hitler began to be concerned about the stability of leadership in the Krupp family's company. With the active cooperation of Gustav and his wife Bertha Krupp, Hitler, Martin Bormann (the chief of the Nazi Party chancellery), and Hans Lammers (the German state secretary) drafted a law transferring ownership of the company from Bertha to her firstborn, Alfried Krupp, who would thereafter manage the company and take the name Alfried Krupp von Bohlen und Halbach. This law, known as the Lex Krupp and signed by Hitler on November 12, 1943, also provided for the conversion of the firm from a publicly traded company to an exclusively family-owned corporation. All of Bertha's corporate shares were transferred to Alfried, as was executive authority for running the company.

After the law was adopted, Alfried played an increasingly active role in the firm's management. He made extensive use of slave labor, closely coordinating his company's employee needs with the availability of workers who were imprisoned in Germany's concentration camps. After World War II, Alfried was tried as a war criminal, charged with engaging in the use and abuse of slave labor and thus of committing crimes against humanity. He was convicted of the offense and sentenced to twelve years' imprisonment, but he was released after only six years.

The Lex Krupp continued to operate as law after the end of World War II. In July, 1967, shortly before his death, Alfried announced that the company, which was heavily in debt, would again become a public corporation. His son Arndt relinquished both inheritance rights and the Krupp name. Hence, the Krupp family's management of the firm ended by 1968. When Arndt died childless in 1986, the Krupp line, established in Essen, Germany, four centuries before, died out as well.

Depression increased prospects for Adolf Hitler's rather obscure Nazi Party. In 1930, he toured the Krupp works without much fanfare. Both Gustav and Bertha regarded him as a lower-class upstart and were taken aback when their son Alfried joined the Nazi Party in 1931. By 1933, recognizing that Hitler was good for business, Gustav's sentiments dramatically changed. Bertha, however, continued to get upset whenever the name "Hitler" was mentioned. The remilitarization of Germany and the outbreak of World War II caused another boom in the Krupps' business, and the use of Jews and other persecuted persons as slave labor during the war dramatically cut labor costs. The Krupp company built a factory named for Bertha, the Berthaworks in Silesia, where Jews imprisoned at the Auschwitz concentration camp produced Krupp howitzer cannons.

During the war, the Krupps were evicted from the Villa Hügel. World War II resulted in the major destruction of the Krupp factories in Essen and of the city of Essen itself. Bertha's son Claus (1910-1940) died in battle during the first year of the war, while another son, Eckbert (1922-1945), died during the last year. A third son, Harald (1916-1985), was captured by the Soviets in 1944 and was held captive for the next ten years. Bertha's eldest son, Alfried, who in 1943 assumed ownership of the Krupp business, was later tried at Nuremberg for war crimes and sentenced to a twelve-year imprisonment. Her husband Gustav was saved from imprisonment by his senility and paralysis from a major stroke.

In 1951, a year after Gustav's death, Alfried was released from prison after serving only six years of his sentence, his early release due in large part to new priorities stemming from the Cold War. Alfried returned to Essen with Bertha, resumed control of the company, and rapidly restored its important role in German industry. Bertha died in Essen in 1957 and is buried next to Gustav in the family crypt outside the city.

Legacy

Bertha Krupp was heir to an industrial empire and the richest person in Germany for more than two generations. Directed first by her husband Gustav and then by her son Alfried, the Krupp corporation armed Germany to fight two world wars that caused the destruction of tens of millions of lives. A matronly and almost queen-like figure, Bertha is still highly regarded in Essen for her concern about the well-being of Krupp workers.

—*Irwin Halfond*

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See also: Alfred Krupp; Joséphine de Wendel; Basil Zaharoff.

Kublai Khan

Mongolian ruler and military leader

Kublai Khan's name has meant opulence on a grand scale since Marco Polo visited Kublai's summer capital at Shangdu, which Polo called "Xanadu." In the nineteenth century, Samuel Taylor Coleridge added to the city's mystique in his poem "Kubla Khan," in which he describes the "stately pleasure dome" in Xanadu.

Born: September 23, 1215; Mongolia
Died: February 18, 1294; Dadu (now Beijing), China
Also known as: Kubla Khan; Khubilai Khan
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Unknown

Early Life

Kublai Khan (kew-bli kahn) was the second son of Tolui and his Christian wife Sorghaghtani Beki and the grandson of the Mongol emperor Genghis Khan. When Kublai's father, next in line for the throne, died in 1232, the power and accumulated riches from Mongol conquests passed to an uncle, Ogatai.

Kublai's elder brother Mangu succeeded as great khan (ruler) of the Mongols in 1251. Kublai meanwhile governed the empire's eastern territories in China, where he demonstrated great military skill in extending the empire and simultaneously became enamored of Chinese culture. When Mangu died, Kublai claimed the Mongol throne in 1260. Younger brother Arigböge challenged Kublai as ruler, and the siblings fought a four-year civil war until Kublai prevailed and became the great khan.

First Ventures

While Kublai was governing in China, he built a magnificent city called Shangdu, about 180 miles north of the current capital, Beijing. When Marco Polo visited China in the 1270's, he wrote of a palace made of marble and stone capable of housing six thousand guests, covered with gold and silver and decorated with pictures and costly silks. The city contained parklands, statuary, and a zoo.

In 1271, Kublai Khan relocated his capital from Karakorum, Mongolia, to China. The community he chose became known locally as Dadu (great capital) and in Mongolian as Khanbalik (city of the Khan), which grew into the modern city of Beijing. Kublai declared himself emperor of China, establishing the Yuan (Mongol) Dynasty. The last holdout of the previous Sung Dynasty surrendered in 1276, putting all of China in Kublai's hands.

Mature Wealth

As emperor, Kublai Khan lavished untold funds in creating a powerful, Chinese-friendly capital in Khanbalik. He constructed a grand canal, erected public buildings, improved highways, and built thousands of schools. He also passed laws, and he made paper currency the standard of exchange, supplanting coins as the usual medium. He patronized the arts, and he exercised religious tolerance. Eager to show off a Chinese empire that had long remained inaccessible, Kublai Khan encouraged visitors and welcomed travelers like Polo.

While Kublai Khan was an able, benevolent administrator, his ambitions caused disharmony and depleted the state coffers. To support his paper currency and to finance military campaigns, he confiscated gold and silver from private citizens. Hoping to add to his empire, he embarked on ruinously expensive invasions of Burma,

Kublai Khan. (Hulton Archive/Getty Images)

Vietnam, and other surrounding territories. He built gigantic fleets to attack Japan in 1274 and 1280 and Java in 1293, only to see these campaigns fail miserably. He was also forced to quell rebellions or repel hostile invaders in various parts of the empire. When money began to run out, Kublai Khan had more currency printed, a tactic that caused widespread inflation.

Because of his pro-Chinese stance, Kublai Khan lost control of the Mongolian portion of his empire, which would divide into separate clans. Late in his reign, he also lost control of his personal life. In 1281, his favorite wife died. Four years later, his son Zhenjin, successor to the Yuan Dynasty, also died. Kublai Khan, already overweight and plagued by gout from his love of rich food, fell into deep depression from the successive tragedies. He spent his last years in a drunken stupor before dying at the age of seventy-eight.

LEGACY

After Kublai Khan's death, the Yuan Dynasty survived for another half century before a series of rebellions brought the Ming Dynasty into power. In 1368, rebels burned Shangdu, and it remained in ruins until a reconstruction effort was initiated in 2002. Early excavations have unearthed the walls of a city more than sixty-six thousand feet on one side. In 2008, China submitted a proposal to the United Nations Educational, Scientific, and Cultural Organization (UNESCO) to make the ruins a World Heritage Site. While Xanadu has been reduced to ruins, the modern city of Beijing remains Kublai Khan's lasting legacy.

—Jack Ewing

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See also: Suryavarman II.

JACQUES LAFITTE

French banker, government official, and politician

Lafitte's wealth is significant historically, repeatedly helping to keep the French government solvent in times of crisis. The ascendancy of Lafitte, a carpenter's son, in French society as a result of his ability to become wealthy through his expertise in banking reflects the importance of affluence in France in the nineteenth century.

Born: October 24, 1767; Bayonne, France
Died: May 26, 1844; Maisons-sur-Seine, France
Sources of wealth: Banking; government
Bequeathal of wealth: Dissipated

EARLY LIFE

Jacques Lafitte (jahk lah-FEET) was born in Bayonne, France, on October 24, 1767. He was the son of a carpenter and had nine siblings. Lafitte began work as a clerk in the Perregaux Bank in Paris. He was particularly adept at his work, and in 1800 he became a partner in the bank.

FIRST VENTURES

In 1804, Lafitte replaced Perregaux as president of the bank. Under his leadership, the bank, Perregaux, Lafitte et Cie., prospered and was soon recognized as one of the major banks of Europe. Lafitte's successful management of the bank earned him the positions of regent of the Bank of France in 1809 and governor of the Bank of France in 1814. In the latter year he also became president of the Chambre de Commerce.

As a result of his financial expertise, Lafitte soon became more deeply involved in government affairs. In 1814, he played an important role in financially sustaining the government when Napoleon I abdicated on April 6. Because of his position in the world of banking and finance, Lafitte was able to secure the money needed to keep the government operational. Once again during the chaos of the Hundred Days, from March 20, 1815, to July 8, 1815, Lafitte raised the money that the government needed. By this time, Lafitte had become very wealthy through his astute management of investments. Thus, he made $2 million of his own money available to the government after the defeat of Napoleon at Waterloo.

MATURE WEALTH

As a banker, Lafitte continued to prosper financially. However, he became more involved in the political life of France, and this eventually led to his financial ruin. Lafitte's wealth enabled him to become a member of the Chamber of Deputies. Only individuals paying taxes of more than one thousand francs were eligible to be elected to the chamber. At first, Lafitte primarily made himself heard in regard to financial matters. However, he held liberal views, and as time passed he became more outspoken in defending laws and principles, such as freedom of the press. As a result of his views, Louis XVIII removed him from his position as governor of the Bank of France in 1819, even though in the preceding year Lafitte had averted a financial crisis for the government by purchasing a large amount of its stock.

France continued to be plagued by political turmoil during Lafitte's career. He opposed King Charles X and was a strong advocate of a constitutional monarchy. Consequently, Lafitte was instrumental in the Chamber of Deputies' decision to select Louis-Philippe as head of the government in 1830. Lafitte served as King Louis-Philippe's prime minister and finance minister for more than four months beginning on November 2, 1830. Political unrest continued in France, and Louis-Philippe proved to be more of an absolute monarch than a constitutional one. Disillusioned with the regime, Lafitte resigned his office on March 13, 1831.

Lafitte's political involvement brought about his financial ruin. He spent the next few years settling his accounts, and in 1837 he was able to open a bank. The bank prospered under Lafitte's direction, but he died in 1844, and four years after his death the institution failed.

LEGACY

Jacques Lafitte's expertise in banking and financial affairs strongly affected the government of France, which was in constant political turmoil during the first half of the nineteenth century. Lafitte repeatedly provided the funds necessary to sustain the government during successive crises. As a wealthy individual and a man devoted to his country, he twice achieved stability for the French government by drawing upon his own resources. Thus, he represents the French devotion to *la patrie* (the country).

—*Shawncey Webb*

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See also: Francis Baring; Stephen Girard; Samuel Loyd; Moses Montefiore; George Peabody; James Mayer Rothschild; Mayer Amschel Rothschild; Nathan Mayer Rothschild.

Edwin Herbert Land

American inventor and industrialist

Land was the founder and major stockholder of the Polaroid Corporation, making him one of the ten wealthiest men in America in the 1960's. He established and endowed the Rowland Institute of Science at Harvard University to provide funding for basic research by a community of scholars.

Born: May 7, 1909; Bridgeport, Connecticut
Died: March 1, 1991; Cambridge, Massachusetts
Also known as: Din Land
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Charity

Early Life

Edwin Herbert Land's parents were second-generation Jewish immigrants from Odessa in the former Soviet Union. Land's father, Harry Land, had a scrap metal business in Norwich, Connecticut. The young Land was fascinated by optical toys, such as the stereoscope, which provides a three-dimensional image by looking through two lenses at two slightly different views of the same scene. While in high school, Land became engrossed by a stimulating book on optical experiments written by Robert Wood of Johns Hopkins University. When he graduated at age seventeen, Land became a student at Harvard University but dropped out after a short time to conduct research on his own.

First Ventures

Land decided to make an intensive study of polarized light, which consists of waves that oscillate in only one plane of vibration. Light was known to become polarized when it passed through a crystal prism, but Land had the idea of doing the same thing with a sheet of plastic embedded with tiny, elongated crystals. The crystals would act like a microscopic lattice fence that would transmit only those vibrations that were parallel to the openings. After many trials, he found that a flexible plastic sheet could be stretched mechanically to place the crystals in parallel rows. He filed his first patent application for this invention in 1929, when he was twenty years old.

To find a market for his invention, Land contacted the Eastman-Kodak Corporation to interest the firm in polaroid filters that would be attached over the lenses of their cameras. The filters would reduce scattered sunlight from the blue sky (which is partially polarized), making the clouds and scenery appear brighter by contrast. His first contract with Kodak, signed in 1934, was for $25,000. His second contract was with the American Optical Company to make polarized sunglasses. By 1936, Land and a business partner had more than fifty employees.

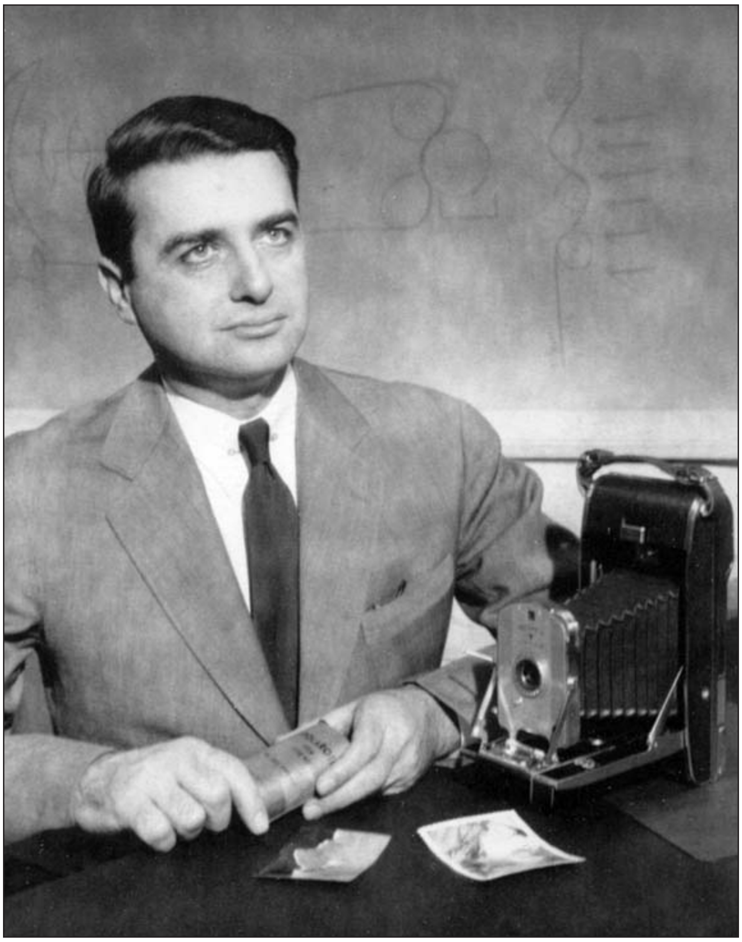
Mature Wealth

Land thought that polaroid sheets could be used to make night driving safer. Accidents often occurred when drivers were blinded by headlights from approaching cars. If polaroid was mounted over the headlights of one car and a second sheet with perpendicular orientation was laminated to the windshield of another car, the headlight glare would not be transmitted to the driver's eyes. To make use of this idea, Land founded the Polaroid Corporation in 1937. A group of Wall Street financiers, anticipating a large potential market, invested $750,000 in the fledgling corporation. However, car production stopped during World War II, and after the war new headlights with a low beam aimed away from oncoming drivers eliminated the need for polaroid filters.

Starting in 1939, American industry began to mobilize for the war effort. Notable contributions by the Polaroid Corporation to this effort included night vision goggles for aviators, lenses made from plastic rather than glass, and a three-dimensional camera for aerial surveillance of terrain for possible landing sites. Polaroid's sales to the military increased from $1 million in 1941 to $15 million in 1945. As the war was ending, Land knew that Polaroid had to come up with a new product in order to stay in business.

One day in 1943, Land had just taken a photograph of his young daughter, when she asked him why he could not show her the picture right away. As Land told the story later, within a few hours he had envisioned all the main components of instant photography. His key idea was to have two layers of film with a packet of chemicals between them. After a photograph was taken, the film sandwich would be pulled out of the camera between two rollers that released the chemicals in order to develop the image. The finished print would be ready in sixty seconds. When this camera went on sale in 1949, Macy's department store sold four thousand in the first week at $90 each. With further research, development time was reduced to ten seconds, the film speed was increased to ASA-3000, and intensive work on instant color film was started.

In the early 1950's, Land approached the film industry in Hollywood about the possibility of making three-dimensional films. To obtain the illusion of a three-dimensional view, two cameras would film the same scene from slightly different angles. The two films would be projected simultaneously through two polarizing filters, one horizontal and the other one vertical. When viewers saw the screen through a pair of oppositely polarized eyeglasses, each eye would see only the picture from one of the two films. The results of this process were spectacular. In 1953, Polaroid supplied more than seventy million pairs of glasses. However, some viewers complained about getting headaches and three-dimensional films were a short-lived novelty. By 1955, the craze was over.



Edwin Herbert Land demonstrates instant photography. Land's Polaroid Corporation began selling instant cameras in 1949. (AP/Wide World Photos)

During the administration of President Dwight D. Eisenhower in the 1950's, there was great concern regarding the Soviet Union's construction of long-range bombers and guided missiles. Information about the size of the Soviet arsenal was unreliable. Land was a member of the science advisory team that recommended high-altitude airplane flights over Russia with a surveillance camera to obtain hard data. He was instrumental in developing the camera that took high-resolution photographs from the famous Lockheed U-2 "spy plane" flying at eighty thousand feet. Land was one of the recipients of the Presidential Medal of Freedom in 1963 and the National Medal of Science in 1968 for his contributions to the U-2 project.

Instant Polaroid cameras with black-and-white film sold very well in the 1950's. Marketing was expanded into some forty countries. Color film, called Polacolor, first went on sale in 1963 with a $5 million advertising campaign. A new camera, with an electric eye to control shutter speed for best exposure, was manufactured for Polaroid by the U.S. Time Corporation (makers of Timex watches.) There was a rumor that Polaroid might produce color televisions or copy machines to compete with Xerox. Although this never happened, Polaroid shares rose to an all-time high on the stock market. In 1966, *Fortune* magazine reported that Land's personal fortune, consisting solely of Polaroid stock, was worth more than $500 million, making him one of the wealthiest men in America.

In 1972, Polaroid introduced an electronically automated camera called the SX-70 that provided photographs with more vivid colors than previous cameras. *Life* magazine published an article about the new camera and film, with Land's photograph on its cover. The company built a $60 million manufacturing facility near Boston and spent $20 million on advertising. However, sales were disappointing because of an economic recession in 1973-1974, and company workers had to be laid off. By 1976, when the recession ended, the SX-70 had become the most popular camera in Polaroid history, with six million sold in one year.

In 1976, Kodak introduced a competing Instamatic camera that sold more than a million units, and Polaroid brought suit for patent infringement. A trial took place in 1981, with Land as the primary witness. The judge ruled in favor of Polaroid, and in 1991 Kodak had to pay more than $900 million in damages, the largest award ever made in a patent infringement case.

After Land retired from Polaroid in 1981, he and his wife sold their four million shares of stock in the company. Most of the proceeds went to the Rowland Institute of Science in Cambridge, Massachusetts, which Land had founded in 1980. After a series of illnesses and heart bypass surgery, Land died in 1991. He was survived by his wife of sixty years and two daughters. He was remembered by his colleagues at Polaroid for his infectious optimism and belief that difficult problems could be solved by persistent effort.

Rowland Institute of Science

The Rowland Institute of Science was founded in 1980 by Edwin Herbert Land, inventor of the Poloroid camera. The institute was named for Henry A. Rowland, a respected experimental physicist at Johns Hopkins University in the late 1800's. Rowland was well known for his ingenuity in devising unique instrumentation, including a grating that spread out the spectrum of sunlight to more than thirty feet. Rowland was the mentor for Robert Wood, whose book on optics had been an inspiration to Land in his youth.

As director of research for the Polaroid Corporation for forty years, Land had developed firm ideas about how a creative invention could be developed into a successful product. The production of a camera and color film for instant photography required teamwork by people with expertise in several fields, including optics, mechanics, chemistry, and plastics. Land's vision for the Rowland Institute was to encourage similar interdisciplinary research, especially among young scientists who had untested, fresh ideas.

The Rowland Institute was the main beneficiary of Land's considerable fortune when he sold his Polaroid stock in the 1980's. The institute was founded to bring together a small group of promising young scientists studying chemistry, physics, biology, and engineering. Ten such Rowland junior fellows generally are chosen for a five-year term, during which they receive a full salary. There are several senior fellows and an advisory committee to provide advice and oversight. An electronics laboratory is available to help with instrumentation. Advanced computer facilities and a technical library provide additional research support. Numerous publications in major research journals have resulted from the institute's work.

In 2002, the institute merged with Harvard University, which has supplied a number of affiliated scientists to work with the junior fellows. The environment for the junior fellows is like an extended postdoctoral fellowship with secure funding, so the fellows can focus on research and not have to spend time writing grant proposals. Many junior fellows have gone on to careers at universities, industrial laboratories, and national research institutes.

Legacy

Edwin Herbert Land believed that a college education in science should extend beyond lectures, books, and exams to include individual research, starting in the freshman year. In 1968, he donated $12 million to Harvard University to establish an undergraduate science research center. In 1979, property was purchased in Cambridge, Massachusetts, for what was to become the Rowland Institute of Science. Land envisioned a research center for scientists from a variety of fields who would interact with each other to solve interdisciplinary problems. Land also was a strong advocate for the establishment of the National Science Foundation. In 1978, he donated $15 million to the American Academy of Arts and Sciences in order to construct a building to hold its meetings for distinguished scholars.

—*Hans G. Graetzer*

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See also: Samuel Colt; Peter Cooper; George Eastman; Thomas Edison; Samuel F. B. Morse; George Mortimer Pullman; Isaac Merrit Singer.

Ralph Lauren

American fashion designer

Lauren earned his vast wealth and built a fashion empire by marketing his fashions not as a mere clothing line but as a symbol of upper-class life. His product lines, which created a feeling of American classic timelessness for the consumer, made him one of the world's wealthiest fashion designers.

Born: October 14, 1939; Bronx, New York
Also known as: Ralph Rueben Lauren; Ralph Rueben Lifshitz (birth name)
Source of wealth: Sale of products
Bequeathal of wealth: Unknown

Early Life

Ralph Rueben Lauren (ralf ROO-behn LOR-ehn) was born on October 14, 1939, in a lower-middle-class neighborhood of the Bronx borough of New York City. He was the youngest of four children born to his Russian immigrant parents, Frank and Fraydl Lifshitz. His childhood interests included sports, movies, and clothing. He attended public school and then the Salanter Academy Jewish Day School. In 1955, at the age of sixteen, he officially changed his last name to Lauren.

As a teenager, Lauren worked part-time for Alexander's, a Manhattan department store. In 1957, he graduated from DeWitt Clinton High School and also became a full-time salesperson for the department store. Lauren continued his education by taking business courses at the City College of New York. He also briefly served in the U.S. Army Reserves.

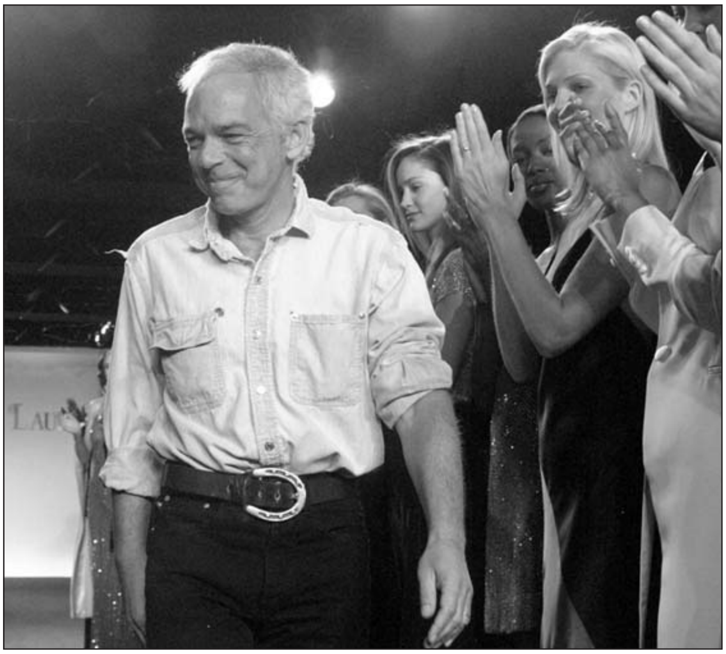
First Ventures

Although Lauren never attended fashion school, he continued to follow his love of clothing. In 1962, he worked as a salesperson for Brooks Brothers, and in 1963 he became an assistant buyer for Allied Stores. He married Ricky Low Beer on December 30, 1964, and that same year he was hired to work in the sales department of Abe Rivertz and Company, a Boston tie designer. Lauren's enthusiasm for fashion led him to eventually design ties for the company. In 1967, he was hired by Beau Brummell Ties, Inc. The company agreed to produce and sell several of Lauren's contemporary tie designs.

Mature Wealth

In 1968, with the financial backing of Norman Hilton, Lauren founded Polo Fashions as a division of Beau Brummell Ties. Later that year, Lauren reorganized his fledgling company as a completely separate entity. Shortly thereafter, Bloomingdale's department store opened a Polo Boutique in its menswear department that featured Lauren's contemporary fashions. In 1970, he won the first of seven Coty American Fashion Critics' Awards for his men's clothing line. In 1971, Lauren successfully unveiled a line of women's fashions and his signature polo logo. He designed the clothing worn by actor Diane Keaton in director Woody Allen's film *Annie Hall* (1977), as well as the costumes worn in the film *The Great Gatsby* (1974).

In 1972, Lauren introduced a short-sleeve knit shirt adorned with his signature polo logo. The shirt became a classic style for men and became commonly known as the "polo shirt." Throughout the late 1970's and early 1980's, Lauren continued to build his fashion empire by marketing his products as part of a luxurious lifestyle. He also added children's clothing, eyewear, fragrances, and housewares to his product line. In 1983, he purchased the Gertrude Rhinelander Waldo Mansion in Manhattan, where the following year he opened the Polo Ralph Lauren flagship store. In 1992, he received the Lifetime Achievement Award from the Council of American Fashion Designers. By 1997, Lauren owned 116 stores, 62 outlet stores, and 1,300 boutiques. On June 11, 1997, Polo Ralph Lauren became a publicly traded company on the New York Stock Exchange. By 2008, the company's annual sales exceeded $4.8 billion.



Ralph Lauren during the showing of his fall 1997 collection. (AP/Wide World Photos)

Legacy

Ralph Lauren transformed his love of fashion into a billion-dollar business. He approached both his clothing designs and the marketing of his fashions as a lifestyle choice for consumers, positioning his clothing and accessories as part of an upper-class style of living that middle-class Americans could obtain simply by wearing his designs. The lifestyle marketing strategy in combination with Lauren's attention to detail and his business savvy quickly earned him an enormous amount of wealth. In 2008, Lauren continued to be a worldwide leader in the fashion industry, with his net worth estimated at $4.2 billion.

—*Bernadette Zbicki Heiney*

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See also: Giorgio Armani; Jan Antonín Bat'a; Kokichi Mikimoto; Gloria Vanderbilt.

JOHN LAW

Scottish banker, gambler, and economic theorist

Law's accumulation of wealth is significant because of the economic theories he developed and implemented to acquire much of it. His theories, known as Law's System, remain among the basic tenets of modern capitalism. In addition, Law's System enabled France to avoid bankruptcy in the early eighteenth century.

Born: Baptized April 21, 1671; Edinburgh, Scotland
Died: March 21, 1729; Venice (now in Italy)
Sources of wealth: Banking; trade; gambling
Bequeathal of wealth: Dissipated

EARLY LIFE

John Law's birth date is not known, but he was baptized in Edinburgh, Scotland, on April 21, 1671. His father was a goldsmith and a moneylender, and his family was affluent. Law received an excellent education in mathematics. He became involved in the family business when he was fourteen years old.

FIRST VENTURES

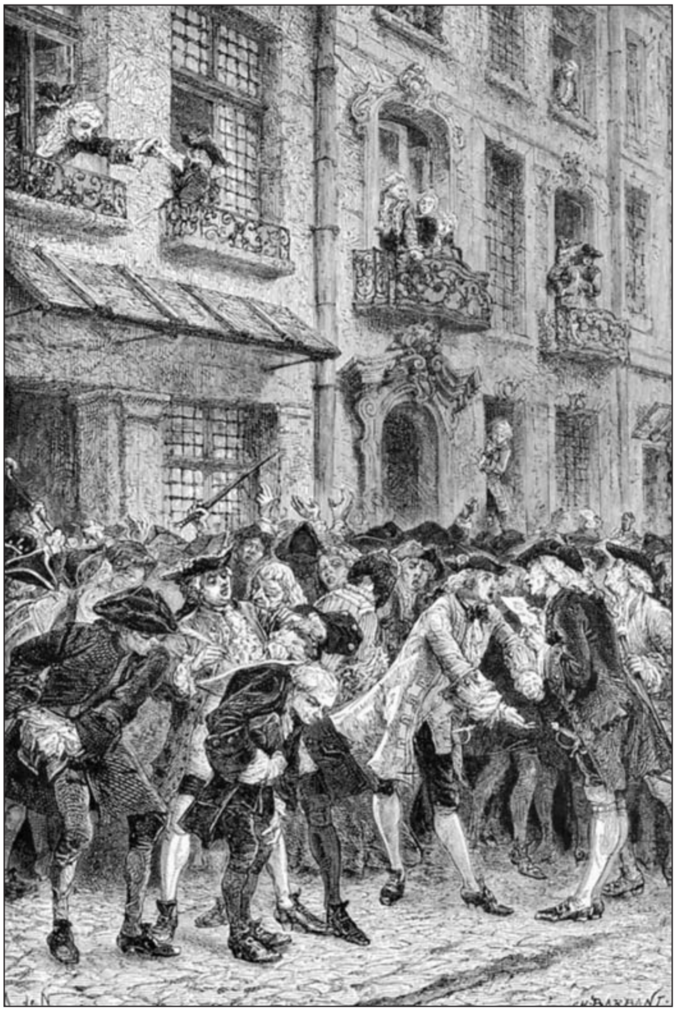
In 1688, Law went to London, where he studied mathematics, business, and economics. He socialized with affluent Londoners and regularly attended gaming houses. Law enjoyed success both as a gambler and as a speculator in government paper. On April 9, 1694, Law fought a duel with Edward Wilson, whom he killed. Law received a death sentence, which was reduced to imprisonment. He fled to Amsterdam.

In Amsterdam, Law made a study of banking practices, in particular those of the Bank of Amsterdam, and he began to develop his economic theories, or Law's System. Law observed how the bank served as a trade intermediary. Merchants deposited coins and paid bills by a transfer of credit. Law was particularly interested in the secret transactions, in which the bank issued credit without any coins being deposited. Law believed that an increase in money would increase trade. He advocated the creation of money by permitting banks to make loans, record deposits, but not receive cash for the loans. Law returned to Scotland in 1700 and again in 1705 with plans for ameliorating the Scottish economy, but his plans were rejected.

MATURE WEALTH

After his visits to Scotland, Law spent more than a decade traveling throughout Europe in a large coach with his family. He earned a living by gambling in the salons and gaming rooms of the wealthy. In 1708, Law was gambling in Paris, where he became friends with Philippe II, duc d'Orléans. Law attempted to persuade the government of Louis XIV to adopt his economic theory, but the king rejected it.

Law was exceptionally skilled at cards and other



Speculators frantically trade shares in John Law's Mississippi Company. Law's attempt to increase share prices resulted in financial ruin for thousands of speculators when the "Mississippi bubble" burst. (Francis R. Niglutsch) games of chance. His winnings were so large that they aroused suspicions of dishonesty. Others marveled at his luck; however, Law insisted that he won by using a mathematical system, not by luck or trickery. Law not only gambled but also explained his economic theories to his wealthy hosts. Suspicion persisted and the marquis d'Argensson, the chief of police, suggested that Law leave France. Law returned to his travels and amassed a fortune of 1,600,000 livres by gambling.

In 1715, Louis XIV died and the duc d'Orléans became regent of France. Law returned to France with a proposal for a royal bank, which was rejected. However, he obtained a patent for a private bank and financed the Banque Générale. This bank's enormous success enabled Law to purchase trading companies, including the Mississippi Company, which the government of France granted a monopoly on trade in North America and the West Indies. By 1720, Law's System was firmly in control of the French economy, Law had become comptroller-general of France, and he had monopolies on tobacco, salt. and money coining. He also controlled Compagnie des Indes, which included all the major French trading companies.

However, during the summer of 1720, the public lost confidence in Law, who had manipulated the market to increase the price of shares in his trading company. Financial panic ensued and Law's System collapsed. Law was dismissed as comptroller-general and fled to Venice, where he died in poverty on March 21, 1729.

Legacy

Although Law's career ended in financial disaster because of his speculation, Law's System established the basis of the modern banking system. Law determined that there was an inadequate amount of metal money to fund business and trading activities, which meant that the needed money could be created by recording deposits and making loans in excess of the cash that was actually deposited.

—*Shawncey Webb*

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See also: Samuel Bernard; Nicolas Fouquet; Louis XIV.

Lee Shau Kee

Chinese real estate developer

Lee Shau Kee recognized early in his career that the rapidly growing city of Hong Kong would require massive housing development, and he began buying government land to construct housing units. His development projects have had a lasting impact on the prosperity and livability of the city.

Born: January 29, 1928; Shunde, Guangdong, China
Source of wealth: Real estate
Bequeathal of wealth: Unknown

Early Life

Lee Shau Kee (lee shauh kee) is the second surviving son of Lee Kai-po, a small-town trader and merchant. Lee Shau Kee's and his elder brother Lee Siu-lun attended local private schools, learning the Chinese classics. As a teenager, Lee Siu-lun was sent to live with family friends in Guangzhou, where he would learn the silver business.

Lee Shau Kee at the age of six began to help his father in the Tin Po Wing Gold Shop, the family business. Lee Shau Kee was quickly able to grasp the complexities of the gold trade. Although quiet, he impressed his father with his ability to suggest markets for buying and selling gold objects and bars. Business was lively, especially after the Japanese invasion at the start of the Second Sino-Japanese War in 1937. At that time, with the value of Chinese currency in flux, families depended upon gold as a way of protecting their savings. Lee Kai-po responded by increasing his operations at both the Tin Po Wing Gold Shop and his other interest, the Wing Sun Silver Exchange. With the help of the young Lee Shau Kee, the family business exchanged huge quantities of precious metals and foreign currencies.

When his father left on a business trip in 1942, he entrusted the businesses to his son. During this time, Lee Shau Kee further increased the profitability of the two shops by trading currencies and by expanding his inventory through exchange of receipts from his shop. At the time, receipts could be used like modern bank checks, but their value was dependent upon the reputation of the gold shop that issued them. The Lee family's shops had such an excellent reputation that their receipts were almost as good as gold itself.

At the conclusion of World War II, China's economic problems were far from over, but it was safer to travel in the country. Lee Shau Kee realized that it was time for him to leave the gold shop and to start his own business in a place that would offer the most opportunities in postwar China. At the age of nineteen, Lee Shau Kee arrived in Hong Kong, which was then a British colony, with $1,000 in Hong Kong dollars.

First Ventures

Lee Shau Kee established himself as a gold and silver trader in the shops on Bonham Strand East. While he built his reputation and cash reserves, he also studied other businesses in Hong Kong. He expanded his operations to include trade in construction materials, such as steel. When the Communist Party took control of China in 1949, Lee Kai-po and his family were instantly rendered penniless. Lee Shau Kee began to send money back home to support his father, who was burdened with heavy fines imposed on him as a result of his landownership when the Communists took over.

At the same time, the trading business in Hong Kong blossomed. Most of the trade between China and other nations, including the United States and European countries, was now conducted through Hong Kong. Traders with an established reputation prospered. Lee Shau Kee obtained a loan from a friend of his in the banking sector and further expanded his already profitable materials import and export business. As opportunities grew in Hong Kong and conditions became more challenging in China, many people immigrated to the small and prosperous city, filling the burgeoning number of manufacturing jobs. Lee Shau Kee could see that if the economy continued to grow and if, concomitantly, the population continued to grow, Hong Kong would soon face a serious housing shortage. He realized that this observation presented an opportunity for profit and for service to Hong Kong.

Therefore, in 1958 Lee Shau Kee and a group of colleagues formed the Eternal Enterprise Company. By pooling their resources and connections, the members of the group were confident they had the capital to become successful in the competitive business of land development. The other prominent members, in addition to Lee Shau Kee, were Fung King-hey and Kwok Tak-seng. The first ventures of the Eternal Enterprise Company, including a hotel project, were highly successful. In 1963, Lee, Fung, and Kwok formed their own company, which was to concentrate solely on land development, especially the construction of residential units, for which there was a high demand. Their new company was called Sung Hung Kai. With the success of their company also came the owners' nickname: the Three Musketeers.

At the start of the Cultural Revolution in China in 1966, the previously robust Hong Kong housing sector experienced a sudden depression. Fearful of doing business in the increasingly unstable political atmosphere of China, investors slowed investment or emigrated. Some, fearing sudden devaluation in currency, withdrew all their money from Hong Kong banks, creating a banking crisis that took months to resolve. At this time, Fung King-hey left Hong Kong to seek other opportunities in Canada, but Lee Shau Kee would not abandon Hong Kong. He was confident that the city would thrive in the long term.

Although the business climate was not vigorous during this troubled time, Lee and his partners had enough equity to continue to seek opportunities. They acquired reserves of land at bargain prices, establishing a bank of property upon which Sung Hung Kai would draw when the market turned around. By the early 1970's, the investment climate was once again favorable in Hong Kong. The real estate and stock markets were booming and Sun Hung Kai was listed on the stock exchange. As a publicly traded company, Sun Hung Kai now had even more access to the huge cash reserves that were needed to drive the engine of real estate development. Shortly after the public listing of their company, Kwok Tak-seng became chairman of Sun Hung Tai, while the other two founders started new ventures. Fung established SHK Securities, and in 1973 Lee Shau Kee founded Henderson Land Development Co. Ltd. Henderson was first traded publicly on the Hong Kong Stock Exchange in 1981. After this time, Lee Shau Kee was generally recognized as one of the wealthiest persons in the world.

Mature Wealth

From the beginning, Lee Shau Kee managed Henderson expertly. His business model was to maintain a bank of land that was acquired at low prices and held until conditions were perfect for development. This strategy included buying large numbers of "Letters B" from citizens who had been reimbursed by the government for land that had been appropriated. The Letters B could be exchanged for reformed land, but they could also be sold for instant cash. Henderson would buy up the Letters B at fair prices and then exchange them in bulk for large tracts of land, which placed the company in a favorable position when developing new projects. Lee Shau Kee insisted on a factory style of land development. In order to maximize his profits, he kept his land development business in constant operation. He would build, market, and sell residential properties, while at the same time keeping his eye on the best time to start the next cycle of building. Among his early successes was the City One Shatin project, a massive residential center in the New Territories of Hong Kong. This sprawling complex took many years to complete and includes not only residences but also retail, recreational, and civic buildings such as schools. Lee Shau Kee was able to sustain his cycle of development through many fluctuations in the real estate market that broke other investors.

Colleagues in businesses other than real estate depended on Lee Shau Kee's help. In 1975, Lee Shau Kee agreed to buy a large block of shares in China Gas in order to avert the hostile takeover of the company by Jardine Matheson Group and Hong Kong Electric. Proving invaluable to the company, Lee would become the chairman of China Gas in 1983. Likewise, Lee Shau Kee became interested in the Hong Kong Ferry (Holdings) Co. Ltd. because it possessed land he believed would offer valuable opportunities for redevelopment. He began to buy shares in the company, shortly thereafter securing controlling interest in the firm and reorganizing its management structure. However, success would not always be easy for Lee Shau Kee. More sudden downturns in the market would create problems during his career, notably the lack of confidence that followed China's 1982 declaration of intent to take over Hong Kong in 1997 and the 1987 world financial crisis. It was Lee's steadfast dedication to a business model and to Hong Kong that allowed him to rise again after each of these challenges.

Lee Shau Kee Colleges

Lee Shau Kee has long been a leader in developing not only the land but also the intellect of Hong Kong. There are not one but two colleges (or Hong Kong secondary schools) named after him, and he was a founding supporter of both of these institutions.

In 1978, a redevelopment project on which Lee was working required the relocation of the Pui Kiu Middle School. Far from finding this a burdensome task, Lee concentrated his energies as fully on the rebuilding of the middle school as he did on any of his commercial projects. More than 70 percent of the funds required to obtain land and construct the school were donated directly by Lee Shau Kee, and this project was the start of his intense involvement in education.

Later in 1978, Lee Shau Kee worked with the Hong Kong Shun Tak Fraternal Association (STFA) to establish the STFA Lee Shau Kee College in Kwai Chung. In 2009, the college had an enrollment of more than one thousand students and a faculty of nearly seventy full-time teachers. The languages of instruction are both Chinese and English.

In 2006, Lee Shau Kee's signature educational task came to fruition, when, along with the Hong Kong Federation of Youth Groups (HKFYG), he established the HKFYG Lee Shau Kee College, located in the New Territories. Including both a primary and secondary school, this college emphasizes holistic education in a primarily English-language environment. The school occupies several modern buildings and boasts a vibrant student population. In addition to Chinese and English languages, mathematics, humanities, and science, the school also offers a full range of athletics and arts courses. The college continues to grow and anticipates reaching maximum enrollment in 2011. These schools, along with many educational scholarships and foundations that are Lee Shau Kee's work, make up an important part of his legacy to Hong Kong.

Legacy

Lee Shau Kee's business ventures in Hong Kong continued to thrive despite the city's 1997 takeover by China. In 2009, he was the chairman and managing director of Henderson Land Development Co. Ltd. and Henderson Investment Ltd.; the chairman of the Hong Kong & China Gas Co. Ltd. and the Miramar Hotel and Investment Co. Ltd.; the vice chairman of Sun Hung Kai Properties Ltd.; and a director of Hong Kong Ferry Holdings Co. Ltd. and the Bank of East Asia, Ltd. He was also the honorary president of the Shun Tak Fraternal Association and the vice president of the Hong Kong Real Estate Developers Association. *Forbes* magazine in 2010 listed Lee Shau Kee as number twenty-two on its list of billionaires, estimating his net worth at about $18.5 billion (in American currency). The Henderson Group of companies is among the largest in Hong Kong.

—*Wells S. Hansen*

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See also: Liu Yongxing; Rong Yiren; Tan Kah Kee.

LEOPOLD II
Belgian king

Leopold was one of the wealthiest people in the world, but a large part of his fortune was obtained through his exploitation of the Congo Free State. His wealth was preserved both in the Royal Foundation of Belgium and in his bequest to his successor, Albert I.

Born: April 9, 1835; Brussels, Belgium
Died: December 17, 1909; Laeken, Belgium
Also known as: Léopold-Louis-Philippe-Marie-Victor; Leopold Lodewijk Filips Maria Victor
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Children; government

EARLY LIFE

Léopold-Louis-Philippe-Marie-Victor was born in Brussels, Belgium, in 1835, the second son of Leopold I, the first king of the newly independent kingdom of Belgium, and his wife, Louise, the daughter of King Louis-Philippe of France. Leopold I's first son had died in infancy. Therefore, Leopold II became Belgium's second king when his father died in 1865. Leopold II's marriage to a Habsburg princess, Marie Henriette, in 1853 produced three daughters, Louise, Stéphanie, and Clémentine, and one son, Leopold. However, the young prince Leopold died in 1869 at the age of nine. Leopold II, whose concern for building a dynasty was paramount, had to rely on Albert, the son of his brother Philip, to succeed him as monarch.

FIRST VENTURES

Leopold II was a man of great passion and ambition. His sexual appetite was unrestrained, as was his lust for wealth. He desired to transform the small nation of Belgium into a respected and redoubtable country. Leopold sought to enrich and expand his territorially constrained state and in the process modernize it. During his honeymoon, Leopold visited Egypt and the Middle East. There and on a subsequent trip to the Ottoman Empire and Greece his imagination was sparked. He was impressed by the state-sponsored program of modernization in Egypt. He was also inspired to follow in the footsteps of the Belgian crusaders Godfrey of Bouillon and Baudouin. He declared to his foreign minister that Belgium must have a colony. However, Leopold's aspiration was not to proselytize but to exploit. In addition to compensation for Belgium's constrained frontiers, a colony would provide markets for Belgium's industry and a destination for colonists. Leopold abandoned interest in a settler colony in favor of acquiring a vast holding that could be exploited for his own personal enrichment.

In his pursuit of access to the wealth of Africa, Leopold organized a congress of scientists and explorers and then founded and financed the International Association for the Exploration and Centralization of Central Africa. He thus manipulated reformist desires to suppress the remnants of the slave trade in Africa. Leopold hired Henry Morton Stanley, the journalist and explorer, to establish stations across the Congo region between 1877 and 1889. Stanley persuaded African chiefs, who had no idea of the implications of their actions, to cede their peoples' land in exchange for alcohol and wares. Leopold thus amassed claim to an expansive territory for which he asked international recognition.

In 1884, Leopold transformed his Committee for the Study of the Upper Congo into the International Association of the Congo. In deference to the purported humanitarian aspirations of this organization, the United States in 1884 recognized the association as the sovereign authority for the Congo. Leopold's machinations were facilitated by competition and jealousy between the great powers, none of which wanted to see the rich Congo claimed by a competitor. At a Berlin conference on the Congo in 1884, the participants agreed to the transformation of the International Association of the Congo into the Independent State of the Congo, or as it was known by the gross misnomer, the Congo Free State. Jealousy and competition among the major colonial powers played an important role in the decision, but it was justified as a humanitarian effort to end the slave trade. Leopold became the sovereign of the Congo Free State, which was his personal possession and not a colony of Belgium.

Leopold II. (Library of Congress)

The purported purpose of Leopold's venture was to end the slave trade, but in reality his goal was blatant exploitation. Military force was used to control the people of the Congo and extract forced labor from them. Much of the Congo was directly exploited by Leopold and his agents, and he received half of the profits from concessions granted to entities such as the Anglo-Belgian Indian Rubber Company. Agents of this company raided villages and held the women and children hostage to force the men to gather rubber. A rubber tax was imposed on the Congolese people. If the men refused to comply with Leopold's agents, they were hunted down by the Force Publique, a group of mercenaries whose members were compensated in return for the number of severed hands they acquired. In the meantime, immense profits flowed into Leopold's coffers.

Mature Wealth

This orgy of violence and exploitation was brought to an end largely by the efforts of Edmond Dene Morel. Morel was a clerk for Elder Dempster, a firm based in Liverpool, England, that carried cargo to and from the Congo to Antwerp, Belgium. Morel was struck by the fact that his firm was carrying rubber and ivory from the Congo but was returning with only arms and soldiers. The conclusion was obvious: Leopold was extravagantly taking advantage of the people and the resources of the Congo. In Great Britain, Morel organized the Congo Reform Association to expose Leopold's brutal treatment of the Congo and its people. A report by the British consul at Boma, Roger Casement, confirmed the horrors of the Congo Free State.

The number of people who died in the Congo as a result of Leopold's agents is debated, but many concede that a million Congolese people died because of the king's greed. A former Belgian foreign office official, who has done exhaustive research on the Congo Free State, and Adam Hochschild, the American author of *King Leopold's Ghost: A Story of Greed, Terror, and*

Heroism in Colonial Africa (1999), have concluded that Leopold's administration was responsible for the deaths of ten million people in the Congo.

When Leopold died in 1909, he was one of the richest men in Europe. Leopold's fortune derived from sources other than the Congo. He took charge of his father's bequest to his sister Carlota, who had sunk into dementia after the execution of her husband Maximilian, the emperor of Mexico. The Belgian government had loaned Leopold 25 million francs in 1890, and when Leopold had slyly indicated that another loan was needed to prevent the complete loss of that initial investment, the Belgian government provided him with an additional 7 million francs. Leopold never repaid the loans. Finally, he refused to share his wife's legacy with his two eldest daughters.

However, the majority of his wealth was produced by the exploitation of the Congo and its people and resources. He sold the rubber produced by forced labor for seven times what it cost him to extract it and then transport it to Antwerp. According to some estimates, Leopold personally amassed 220 million francs ($1.2 billion in 1998 dollars) from his Congo venture.

The Royal Trust

On his sixty-fifth birthday in 1900, King Leopold II wanted to ensure that the properties he had acquired and the buildings he had constructed to embellish his dynasty would be maintained and not be disposed of in the future. To this end, he donated specified buildings and land to the state but with very specific conditions. When he relinquished his control of the Congo Free State, Leopold transferred additional properties to the Royal Trust, which is also known as the Royal Donation. Leopold stipulated that the properties could not be sold. The state would have to maintain their original appearance and function. The properties, finally, would be at the disposal of Leopold's successors.

The properties set aside for the personal use of the royal family include the châteaus of Belvédère, Ciergnon, Fenffe, Stuyvenberg, and Villers-sur-Lesse; Villa Clémentine in Tervuren; the greenhouses which Leopold constructed at Laeken; and hunting rights on a large estate in the Ardennes. There were also a number of parks that were to be maintained and open to the public. These included the Aboretum in Terveuren, Dudenpark, Elisabethpark in Laeken, Maria-Henriettepark in Oostende, Leopold II Park in Nieuwpoort, and the Colonial Garden in Laeken. Finally, there were buildings, including a cinema, a yacht club, office buildings, and shopping centers, as well as agricultural land, golf courses, and wooded land, the income from which was to be used by the Royal Fund to maintain its other properties. The trust also possesses a portfolio, which was valued at 39 million euros in 2006. The total receipts of the Royal Fund in 2006 were almost 12.7 million euros (approximately $16.7 million). After expenses for the year, the fund maintained a balance of about 6.1 million euros.

The Belgian king appoints a ten-member board, which includes four members or former members of the royal court, to manage the trust. The head of the bureaucracy is an ex officio member. In addition, a former sovereign or the sovereign's surviving spouse, if he or she lives on property belonging to the Royal Trust, is entitled to personal representation on the board.

Legacy

Unlike their king, Belgians were not inclined toward imperialism. However, by the first years of the twentieth century the crescendo of international opprobrium had reached such a level that Belgium had little alternative but to assume control of the Congo. The international reputation of the entire country was at stake, and if Belgium did not take over this area, it was likely that some other country would. Although Leopold's authority as the king of Belgium was circumscribed by the Belgian constitution, the Belgian government had no control over Leopold or his behavior in the Congo, where he was the sovereign authority. Therefore, Leopold had great bargaining power, and he used it to the hilt. In March, 1908, a deal was finalized. Leopold agreed to turn the Congo over to the Belgian government if it would assume 110 million francs of debt, much of it in bonds that Leopold had freely dispersed for his own purposes and the rest in the form of the 32 million francs that the government had loaned him for his Congo venture. In addition, the government was required, at a cost of 45.5 million francs, to complete a number of the king's unfinished projects, including renovations to his estate at Laeken. The icing on the cake was a gift of 50 million francs ($250 million in 1998 dollars) in gratitude to Leopold for the "sacrifices" he made for the Congo.

Leopold felt his ability to influence the development of the Belgian state was constrained by Belgium's liberal constitution, which relegated the king to a relatively passive role in the political life of the country. He wished to have an impact upon the development of Belgium and to strengthen the foundations of his dynasty. To accomplish these goals, he sought to amass wealth that would free him and his successors from economic dependence upon the parliament. For Leopold, the Congo provided the opportunity to achieve this financial independence. He accomplished his goal, but his achievement was attained at an horrific cost to the Congo and its people.

—*Bernard A. Cook*

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See also: Barney Barnato; Alfred Beit; Cecil Rhodes.

Reginald F. Lewis

American industrialist and attorney

Employing the financial device of a leveraged buyout, Lewis became owner and chairman of the TLC Beatrice food conglomerate. The first African American to own a company with revenues exceeding $1 billion, Lewis generously donated to various charities.

Born: December 7, 1942; Baltimore, Maryland
Died: January 19, 1993; New York, New York
Also known as: Reginald Francis Lewis
Sources of wealth: Law practice; sale of products; investments
Bequeathal of wealth: Spouse; children

Early Life

Reginald Francis Lewis was born during World War II in a segregated neighborhood in Baltimore, Maryland. He was the only child of Clinton and Carolyn Cooper Lewis. When he was five, his mother left her husband, who was often absent from home, and moved in with her parents, Sam and Sue Cooper. His mother worked as a waitress and store clerk, and Lewis grew close to his grandparents. Lewis attended St. Francis Xavier Catholic elementary school. When he was was nine, his mother married Jean Fugett, who was a positive influence on young Lewis.

Lewis attended Dunbar Public High School, where he excelled in sports, earning varsity letters in baseball, basketball, and football. He received a football scholarship to attend Virginia State College, the oldest state African American university in the nation. Up to this point, Lewis seemed primarily interested in sports. In college, however, he developed two new aspirations: to improve academically and to become a millionaire, as he announced to his friends. Lewis became a member of Kappa Alpha Psi, a historic African American fraternity founded in 1911. Under a program for minority students, Lewis enrolled in Harvard Law School upon graduating from Virginia State in 1965.

First Ventures

After graduating from Harvard Law School in 1968, Lewis took a position as an associate lawyer with the prestigious New York law firm of Paul, Weiss, Rifkind, Wharton & Garrison, earning a salary of $10,000 a year. On August 16, 1969, he married Loida Nicholas, a Filipino American. After two years in the corporate law department of Paul, Weiss, Lewis left the firm to become a partner in a start-up law firm that focused on New York City's African American community. Several of the partners of Paul, Weiss were surprised that Lewis was taking what seemed to be a risk with his promising career. For Lewis, however, his new firm, Wallace, Murphy, Thorpe and Lewis, represented a chance to reengage with the African American community. He also sensed that the firm presented opportunities to make money in new entrepreneurial ventures, and that he was dynamic enough to take advantage of these opportunities. For example, through his new contacts, he was appointed to sit on the board of directors of the General Foods Corporation. While on the board, Lewis was involved in sixty-four business deals associated with General Foods. He also obtained the music rights to the film *The River Niger*, and he was instrumental in blocking the sale of *Essence* magazine to the Johnson Publishing Company.

Within two years of joining Wallace, Murphy, Lewis was so successful that he bought out his partners' shares for $32,000, assuming full ownership of the firm. Lewis hired two associates for the firm. Besides the work he was doing for the Urban Coalition and the Ford Foundation, Lewis began to aggressively attract corporate clients, such as Aetna Life, Equitable Life, and businessman Norton Simon. He also received steady revenue from working with the American Association of Minority Enterprise Small Business Investment Companies, under a program created by the U.S. Small Business Administration. With his firm prospering, Lewis felt secure enough to start a family. In 1973, he and Loida had their first child, Leslie, and their second daughter, Christina, was born in 1980. Lewis also purchased a summer home in the exclusive East Hampton section of Long Island, New York. He traveled in Bentley and Mercedes limousines.

MATURE WEALTH

Although by 1978 Lewis's law practice was increasingly lucrative, netting him as much as $100,000 profit per month, he made a pivotal decision. He would transition from being a lawyer for business owners to becoming a business owner himself. In 1982, he bought a radio station in St. Thomas, hoping to launch a Caribbean Basin

SPECULATIONS, BUBBLES, AND LEVERAGED BUYOUTS

Countless fortunes have been made by speculating in land and commodities. As new continents were discovered and developed, intrepid speculators purchased vast tracts of land, waiting for settlers to arrive and land values to appreciate. For example, thousands of square miles were purchased or wrested from Native Americans by European speculators, to be resold to pioneers at enormous profits. Commodities are often bought in bulk to be sold at great profit as the need for grains, metals, or raiment is recognized. Perhaps such speculation is necessary for the free flow of goods. Less justifiable is the profiteering that accompanies war, as the necessities rendered unavailable by battle are hoarded by speculators and sold to a desperate population at usurious prices.

As the wealth of humankind was gradually transferred from land and chattel into currency and stock shares, the opportunity for speculation increased and gave rise to that modern and apparently unavoidable phenomenon of modern economics—the financial bubble. Fortunes were made and lost in the infamous tulip mania in the Netherlands in the seventeenth century, as the Dutch genius for trade and finance was temporarily overwhelmed by a frenzy to purchase tulip bulbs at rapidly appreciating prices—until the bubble collapsed, bringing ruin. The notorious John Law brought a great fortune to himself and ruin to thousands of speculators in the Mississippi Company and South Sea Company bubbles of 1720.

All of the modern advances in technology have been accompanied by financial frenzy, none more so than the railroad. Even as profitable an enterprise as the discovery of massive amounts of gold in South Africa caused a bubble in the Kaffir stock panic on the London exchange in 1896. The greatest opportunity to create speculative fraud and financial bubbles is the pyramid scheme, perfected by Charles Ponzi in the 1920's and much-practiced by hucksters and scam artists—large and small—ever since.

The greatest vehicles for speculation are the world's stock markets, where fortunes are made and lost every day. The sudden rise and fall of the prices of securities—the "Nifty Fifty" in the 1960's, the dot-com boom and bust of the late 1990's, and the real estate collapse of 2008—combine both scandal and mania.

In the modern market, venture capital firms can raise funds for the leveraged acquisition of established companies, based on massive borrowing. In the 1980's, Michael Milken pioneered this method of acquiring debt to finance company takeovers. He was the catalyst that enabled Reginald F. Lewis to acquire the billion-dollar Beatrice Foods, while investing only a fraction of the purchase price from his own funds. In 1989, Milken was convicted of stock price manipulation and sentenced to ten years in prison. Although he was excoriated in the press as the symbol of Wall Street greed and corruption, Milken received support from Lewis during his criminal trial. Lewis may have been paying back a favor to the man who arranged his leveraged buyout of Beatrice Foods, or perhaps Lewis believed that Milken's innovative financing schemes were necessary to allow an outsider like Lewis to rise to the heights of the business world.

radio network, a project that never got off the ground. In 1983, he incorporated TLC Group L.P. as a venture capital firm to acquire and hold his businesses. In 1984, he bought the McCall Pattern Company, which sold home sewing patterns, for about $22.5 million. Lewis's intense management style proved to be profitable for the venerable company, and in a short period he doubled McCall's revenues. He sold the company in 1987 for $90 million. (He would later be sued by the company's purchasers, who claimed that Lewis misrepresented the company's assets; Lewis was eventually successful in refuting these allegations.)

A few months after the sale of McCall's, Lewis bought Beatrice Foods for $950 million, with financing provided by the well-known leveraged bond financier Michael Milken of the investment firm Drexel Harriman Ripley. Beatrice Foods was an international food conglomerate, with operations in groceries, beverages, snacks, and basic foods in thirty-one countries.

Having risen to the highest levels of international commerce, Lewis bought a 1916, twenty-five-room, Georgian mansion named Broadview in the East Hamptons for $3.6 million. He stocked his mansion with $1 million worth of Impressionist and surrealist paintings. The following year, Lewis and his family moved to Paris, the headquarters of TLC Beatrice operations, where they leased elegant quarters dating from the eighteenth century. Lewis increased the revenues of Beatrice International Foods to more than $1 billion, making it the first African American-owned company in history to exceed that plateau. He leased a private airplane at a cost of more than $100,000 a month to travel to his businesses, vacations, and homes. He enjoyed the finest of luxuries—Monte Cristo Cuban cigars, Dom Pérignon champagne, elegant furnishings, and gourmet dinners at the famous Maxim's restaurant in Paris with his wife.

In 1990, Beatrice generated $1.5 billion in sales, earning about $100 million in profit. In 1991 and 1992, Lewis made the list of *Forbes* magazine's four hundred wealthiest Americans. He established the Reginald F. Lewis Foundation in order to disburse more than $10 million to charity. He also donated $1 million to Howard University; gave $100,000 each to the University of the Philippines and Virginia State University; funded a scholarship for the New York chapter of Kappa Alpha Psi; made benefactions to his childhood church and to the Abyssinian Baptist Church in Manhattan; presented $1 million to various African American cultural institutions; and provided $250,000 for public television. Lewis's largest gifts were a $2 million endowment for the National Association for the Advancement of Colored People (NAACP) and $3 million to Harvard Law School, which named its International Law Center for him.

In 1992, at the height of his business success, Lewis received shocking news. Having been sick for several months, he was diagnosed with inoperable brain cancer. Lewis entrusted the management of TLC Beatrice to his stepbrother Jean Fugett. He died in January, 1993, at the age of fifty. He left the bulk of his personal fortune, estimated at $400 million, to his wife, Loida, who took over the management of TLC Beatrice International Holdings. In 2002, the Reginald F. Lewis Foundation provided funding to open the Reginald F. Lewis Museum of Maryland African American History and Culture in Baltimore.

Legacy

Reginald F. Lewis was an aggressive and successful entrepreneur, whose venture capital firm benefited from the newer forms of leveraged buyouts developed on Wall Street in the 1980's. Having acquired the Beatrice Foods conglomerate, he showed himself to be a shrewd and capable business executive. As the first African American owner of a billion-dollar company, he was described by his widow as the "Jackie Robinson of finance." He was admired by many for his hard work and shrewd business sense. He was a significant participant in the leveraged buyout innovations of the 1980's—to some, an achievement, to others, a fault. Despite his taste for luxurious living, he was a generous philanthropist, making significant gifts to African American institutions and Harvard Law School.

—*Howard Bromberg*

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See also: Roberto C. Goizueta; John H. Johnson; W. K. Kellogg; Joan Kroc; Ray Kroc; Michael Milken; C. W. Post; Marjorie Merriweather Post; Louis F. Swift; William Wrigley, Jr.

Liu Jin

Chinese eunuch and court official

A powerful eunuch of late imperial China, Liu Jin may have been the wealthiest man of his time. He dominated the court of the Ming Dynasty for five years in the early 1500's, amassing tremendous wealth through bribery and embezzlement.

Born: 1452; Xingping, Shaanxi, China
Died: 1510; Beijing, China
Also known as: Tan (birth name); Liu Chin
Sources of wealth: Government; embezzlement
Bequeathal of wealth: Confiscated

Early Life

Liu Jin (lew chihn) was born in Xingping, Shaanxi, China, in 1452. When he was six years old, he was adopted by a eunuch. He was then castrated, as was customary for Chinese court officials at this time, and he served in the inner palace of the court of the Ming Dynasty (1368-1644), one of the Chinese dynasties notorious for corruption by its eunuchs. Eunuchs like Liu Jin were a common feature of the imperial Chinese court, in which they served a wide variety of roles.

After several decades, Liu Jin was chosen to serve the crown prince, who would later become Emperor Zhengde. In 1505, when Zhengde became emperor at the age of fifteen, Liu Jin was quickly promoted to be one of the head eunuchs. He acquired additional imperial trust by arranging for exotic animals, acrobats, and dancing girls to entertain the young emperor, and he started to amass his spectacular fortune.

First Ventures

Liu Jin's wealth increased rapidly with the growth of his political power. He persuaded the emperor to order all provincial administrators to transport the silver preserved in local treasuries to the central court, a convenient place for Liu Jin's greedy embezzlement. He also suggested that the emperor establish more than three hundred imperial estates near the capital, which were allegedly intended to raise state income in order to cover the huge expenses of the inner palace. However, it was Liu Jin, the actual manager of these estates, who made huge profits in implementing this policy. Under the favor of the emperor, Liu Jin easily escaped the subsequent criticism and calls for his impeachment from civil officials, and he was promoted as the head eunuch in charge of the most important state affairs. To extend his control over the court, he sent his assistants to administer significant posts across the country, and he promoted more than fifteen hundred military officers, as well as several hundred civil officials, from his clique.

Mature Wealth

Liu Jin's wealth and domination of the court reached their summit in the few years before his death. Bribes from officials constituted the major source of his wealth. Nearly all the local officials visiting the capital for an annual imperial audience or reappointments had to send Liu Jin gift money, which ranged from several hundred taels of silver to 5,000 taels. Those who could not afford such sums had to get loans, popularly known among the officials as "capital debts."

With the power to appoint officials, Liu Jin never hesitated to sell positions for money. For example, a corrupt local official who bribed Liu Jin with 10,000 taels of silver was soon appointed the minister of the personnel department. Officials who were about to be impeached could retain their positions by sending money to Liu Jin. A group of corrupt officers guarding the borders was easily exempted from punishment for their malfeasance after bribing Liu Jin; some of the officers even received promotions because of their generous tributes to the eunuch's mansion. For those upright officials who refused to cooperate with Liu Jin, their ends were disastrous. Many were arrested and executed, and their properties were confiscated. The eunuch was so powerful in his heyday that people even referred to him as an emperor who ruled beside the real emperor sitting in the palace.

In 1510, Liu Jin finally lost favor with Emperor Zhengde when he was charged by some other eunuchs with plotting a rebellion against the emperor, and he was impeached from his position. The once-powerful eunuch was executed publicly, and all of his properties were confiscated. It was said that his total wealth exceeded 330 tons of gold and 8,050 tons of silver, which was the equivalent of forty times the annual income of the Ming government in 1644.

Legacy

Historical records of Liu Jin's wealth continue to astonish readers, and he is regarded as one of the wealthiest men in world history. Liu Jin's rise and fall in Ming China also reflect the interesting symbiotic relationship between the eunuchs, a special group serving in inner palaces who could easily acquire imperial favors on which their power and wealth relied, and the emperor, the real source of power in the imperial China.

—*Hongjie Wang*

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See also: Heshen; Huang Zhiyun.

Liu Yongxing

Chinese agribusinessman and investor

Liu Yongxing and his brothers started their family enterprises in the early 1980's and soon amassed great wealth by producing and selling feedstuff. As one of the richest men in China, he exemplifies the economic and societal changes in this country following the death of its leader Mao Zedong.

Born: June, 1948; Xinjin, Sichuan, China
Sources of wealth: Agricultural products; investments
Bequeathal of wealth: Charity

Early Life

Liu Yongxing (lew yong-sheeng) was born in 1948 in a poor county in the backward Sichuan Province in southwest China, the second of four sons. He received a precollege education after the Cultural Revolution of the late 1970's. Like his three brothers, Liu found a job in the local education bureau and lived a simple yet stable life until 1982, when the brothers decided to participate in the economic reforms initialized by Deng Xiaoping, the head of the Chinese government who succeeded Mao Zedong. In that summer, the four brothers quit their government jobs and with their combined savings of about $120 started a family business selling agricultural products.

First Ventures

The Liu brothers first earned money from selling chickens at the local markets in 1982. With the profits, about $1,200, they switched to raising quail in the impoverished village of Gujia near their hometown. By introducing scientific methods to the process of breeding, hatching, and feeding, the brothers succeeded in beating their competition, increasing their wealth to $1.2 million, a dazzling amount of money in China at this time. Their third venture, feedstuff producing, was even more successful and eventually became the major business among their family enterprises. With high quality and low prices, their feedstuff for pigs, sold under the brand name Hope, became the most popular product of its kind in rural China. By 1993, the brothers' Hope Group was the largest feedstuff manufacturer in China, with net assets of $120 million. Liu Yongxing, perhaps the most capable of the brothers, served as the head of the enterprise and led it toward a continuous accumulation of wealth.

Mature Wealth

After the brothers split the Hope Group in 1995, Liu founded his own feedstuff manufacturing enterprise with a new name, East Hope Group. Four years later, he relocated the company to Shanghai, where he continued to focus on the profitable feedstuff business with which he was familiar. This relatively conservative strategy helped Liu, who, unlike many other Chinese businesspeople, avoided the risks of amassing large debts as the result of misguided expansion.


Liu Yongxing. (©Ryan Pyle/CORBIS)

Liu Yongxing began diversifying his business in 2002. While maintaining feedstuff manufacturing as the focus of his business, he built a chain of aluminum industries in north China and the upper Yangzi River region, and he invested in a number of prosperous state-owned enterprises, such as the China Minsheng Banking Group and the Bright Dairy Group. His wealth steadily increased during the first decade of the twenty-first century. He was listed on *Forbes* magazine's China Rich List in 2001, with his wealth equivalent to $1 billion in American currency. Seven years later, the magazine ranked him as the richest man in the People's Republic of China, and his net worth jumped to $3 billion. In 2010, Liu Yongxing was number 154 on the magazine's list of world billionaires, with a personal wealth of $5 billion.

LEGACY

Widely viewed as the most successful entrepreneur in twenty-first century China, Liu Yongxing has continued to maintain his businesses and his income, unlike many other Chinese billionaires, whose wealth eventually vanished because of unwise investments or extravagant lifestyles. From a historical viewpoint, the growth of his wealth since the 1980's could be read as a chapter in the history of China's transition from an isolated planned economy to a flourishing capitalist market in the twenty-first century.

—*Hongjie Wang*

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See also: Dhanin Chearavanont; Lee Shau Kee; Rong Yiren; Tan Kah Kee.

NICHOLAS LONGWORTH

American vintner and real estate developer

Longworth, who established his wealth as a major player in the early years of Cincinnati's development, later became interested in horticulture. After years of frustrating and expensive trial and error, he established the first successful domestic wineries in the United States.

Born: 1783; Newark, New Jersey
Died: 1863; Cincinnati, Ohio
Sources of wealth: Banking; real estate; agricultural products
Bequeathal of wealth: Children; charity

EARLY LIFE

Like many wealthy Americans who lived in the late eighteenth and early nineteenth centuries, Nicholas Longworth left few reliable records of his life. He was born in New Jersey in the last year of the American Revolution. He was trained to become a shoemaker, most likely his father's trade, and records indicate that Longworth briefly plied this trade in South Carolina. However, he was restless, aware of the opportunities for wealth available to those willing to head West. In 1804, he arrived at Cincinnati, then a small river port in a territory that had only the year before become a state. Recognizing the need for a stable income, Longworth apprenticed himself as a law clerk for Jacob Burnet, one of the wealthiest men in the city. For six months Longworth studied the law before setting up his own practice, as was the custom of the era. He married in 1807 and had five children by 1815.

FIRST VENTURES

Although a proficient lawyer, Longworth had a better understanding than most of his contemporaries of the potential for real estate development in Cincinnati, which was quickly becoming a major port city, offering critical access to the rapidly opening midcontinent and the central transportation system of the Ohio and Mississippi Rivers. Longworth became a land agent, and for relatively small sums of money he negotiated the purchase of vast lots of open woods all around Cincinnati. By 1819, his investments allowed him to retire from law in order to manage a considerable amount of prime land.

Longworth had long been recognized in Cincinnati for his interest in horticulture. His home near the Ohio River boasted one of the most meticulously kept landscaped gardens in the new American West. However, he was more interested in fruit cultivation. After initial ventures in strawberries and raspberries, he turned his attention (and his fortune) to grapes, specifically his dream of producing a domestic table wine. What few grapes were raised in America at this time were largely used for raisins. Part of Longworth's enthusiasm for winemaking came from his own moral objections to distilled liquor and beer, which he disdained as uncivilized. He was certainly not the first to venture into domestic winemaking, but the results, largely in Virginia, had failed. These wines proved too heavy, and the crops were susceptible to the erratic climate, infestations of vine mildews, and hordes of insects. In addition, wine struggled to find a market in the United States because of the appeal of hard liquor and beer, both much easier and far cheaper to produce.

MATURE WEALTH

Longworth began importing vines from European vintners because he could not find a domestic grape vine able to withstand Ohio's difficult winters and problematic springs. He planted these vines along thousands of acres near the Ohio River, but he had little success. Given his entrepreneurial savvy, he understood that only a domestically grown grape could become the foundation of an American wine industry. In the early 1820's, Longworth heard of a type of hardy Catawba vine, a hybrid of Lambrusco grapes that was indigenous to the piedmont regions of North Carolina, which was being cultivated in nurseries near Washington, D.C. This grape yielded a particularly sweet, light wine and peaked for harvesting in the middle of autumn, which would enable it to be grown in the Ohio climate. Longworth invested considerable capital in raising Catawba grapes, and the semisweet wine they produced brought Longworth his first success as a vintner. The local German immigrant population, pining for the wines of the Rhineland, enthusiastically embraced Longworth's affordable wines. Because Longworth was literally the only winemaker in the region, he quickly amassed a considerable fortune.

Longworth kept notes on his plantings, and his writings became a foundation for the new science of domestic vintners. However, it was the quality of his wine that earned Longworth both national and ultimately international recognition from some of Europe's most exclusive salons, and Ohio became known as the Rhineland of America. Longworth's wines were even the subject of a lavish celebratory poem written by American poet Henry Wadsworth Longfellow.

In 1842, when a batch of Catawba wine accidentally went through a second fermentation, thus fortifying its already high acidic content, Longworth was intrigued by the product, a sort of sparkling wine that reminded him of the champagnes of southern France. Drawing on his considerable resources, Longworth brought to Cincinnati some of the most accomplished vintners from France to advise him on the process of producing sparkling wines. The effort was expensive and time-consuming; the bottles, he recorded in his journals, exploded at the rate of thousands per week, and entire batches would be overfermented and ruined if not carefully watched. However, Longworth never abandoned his vision, and by the mid-1850's his sparkling wines commanded a significant percentage of domestic wine sales, with more than 100,000 bottles sold annually. Longworth was now among the wealthiest industrialists in the American West. The temperance movement responded to his success and the unprecedented rise in alcohol consumption by crusading in numerous states to ban all alcohol. In 1853, Longworth used his enormous influence to defeat such a prohibition in Ohio, where opponents accused Longworth of buying the referendum's defeat through his influence in Ohio's large German immigrant population, his first and most loyal market.

Just before the outbreak of hostilities in the Civil War, which would significantly alter the economic conditions of the Ohio River valley, Longworth's wineries produced 600,000 bottles of still and sparkling wine annually, more than one-third of the total amount manufactured in the now robust American wine market. The Ohio River valley at this time produced more wine than any other re-

Nicholas Longworth (right) and his wife. (©Bettmann/CORBIS)

The Taft Museum

Nicholas Longworth, Cincinnati's second millionaire, bought the spacious estate on Pike Street, on what was then the very eastern edge of the city, from Martin Baum, a German immigrant and entrepreneur, who had become Cincinnati's first millionaire, as well as its first mayor, through his dominance of the riverboat transportation systems along the Ohio River. However, in 1830 Baum was facing imminent financial ruin. Baum had built the house just ten years earlier with lavish specifications, a classic example of Federalist architecture, with its elegant mathematical balance and its carefully maintained symmetry. The Palladian style dominated architectural expression in colonial America, and Baum sought to bring a measure of civilization, taste, and classical refinement to the Western frontier.

It was not surprising that Longworth, just coming into the fortune that he would realize from his winery investments, would purchase the most notable home west of Pittsburgh. Longworth had long been proud that as the owner of a three-thousand-acre vineyard that employed largely immigrant labor, he had provided housing for his workforce as a way to guarantee its long-term commitment to an agricultural enterprise that required skill and experience. The Longworth family rechristened the estate Belmont, and for more than thirty years, until Longworth's death in 1863, the estate served as a social center for the rapidly expanding city of Cincinnati.

In that time, Longworth did little to change the house architecturally, save for making minor alterations to the doorways and the windows to improve the lighting. However, in terms of decorative arts, Longworth made a telling contribution to Belmont. A committed abolitionist, Longworth commissioned Robert S. Duncanson, a biracial landscape artist (his father was Canadian, his mother African American), to create a series of eight elaborate murals for the estate's spacious formal entranceway. Longworth had been entranced by the work of the self-taught Duncanson, which featured bold landscapes of the American frontier in the sweeping manner of the Hudson River School. The eight murals were begun in 1848 and were completed in 1852, with each mural more than 9 feet high and 6 feet across.

At Longworth's death, the estate passed to David Sinton, a first-generation Irish immigrant who had made his fortune in iron foundries. His daughter married into the Taft family, Cincinnati's most distinguished family during the Gilded Age. Indeed, it was her husband, attorney Charles Phelps Taft, the half brother of President William Howard Taft, who left the home and its considerable collection of art to the city upon his death in 1927. Following extensive renovations to restore the Federalist look of the building, the structure was converted to the Taft Museum, which opened to the public in 1932. The murals Longworth commissioned, restored to their original vivid colors, remained part of the building's exhibitions. In the twenty-first century, the museum remained a gem in the city's cultural reputation, with a small but exquisite collection of paintings, notably portraits by Thomas Gainsborough and landscapes by John Constable and Jean Baptiste Camille Corot, and decorative arts, notably Chinese porcelains, as well as classroom space and lecture and performance facilities.

gion in the nation, including the vineyards in the far more temperate climate of California. Vineyards could be found on thousands of acres along the Ohio River, contributing to the area's economic boom. Longworth, with his cultured lifestyle and his hands-on interest in the agricultural business, became a template as many gentlemen growers opened similar vineyards around Cincinnati, and, like Longworth, controlled both production and distribution of their products.

However, during the Civil War the Ohio wine industry that Longworth had so meticulously built began to decline, devastated not only by the loss of the workforce to the war but also by shortsighted planting techniques, such as overplanting and a lack of field rotation strategies, and massive crop failures from vine diseases, notably black rot. Longworth himself, because of his long career in the wine business, was able to maintain his wealth. When he died in 1863, he left an estate valued at more than $10 million. With Longworth's financial support largely gone, however, Ohio's burgeoning wine industry simply collapsed, and it would not return to any strength for more than a century.

Legacy

On the face of it, Nicholas Longworth might be seen as leaving little significant legacy; after all, the Ohio wine industry he pioneered and into which he poured millions of dollars and devoted more than thirty years barely survived a decade after his death. However, Longworth was a visionary. Following the War of 1812, when America was wrestling to define itself as a nation against the snobbery of a European culture that dismissed the new country as rough-hewn, Longworth envisioned a wine that would help establish an American presence in an industry long associated with taste and culture. In addition, given his devotion to the hands-on work of grape production and his own cutting-edge experiments in crop maintenance, Longworth left a legacy of horticultural achievement, a testimony to how dedication, as well as financial resources, can master the finicky processes of crop production.

—*Joseph Dewey*

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See also: Clarence Dillon; Ernest Gallo; James Mayer Rothschild.

ANTONIO LÓPEZ Y LÓPEZ

Spanish shipper, merchant, and banker

The main source of López's wealth was the Compañía Transatlántica, a shipping firm connecting Spain with its colonies. He made Spain's merchant marine a modern enterprise; created a diverse, widespread commercial empire centered on Barcelona; supported the arts and education; and transformed the village of Comillas into a seaside resort and architectural wonderland.

Born: 1817; Comillas, Santander, Spain
Died: 1883; Palau Moja, Barcelona, Spain
Also known as: Antonio Víctor López del Piélago y López de la Madrid; marqués de Comillas
Sources of wealth: Shipping; trade; banking; slave trade
Bequeathal of wealth: Spouse; children

EARLY LIFE

Antonio Victor López y López was born in 1817 in Comillas, Santander, Spain. His father, Santiago López del Piélago, and his mother, María López de la Madrid, were unrelated and from local nobility. His father died when Antonio was six, leaving his mother destitute. At age nine, Antonio moved to Andalusia to work for relatives in several locations. After a year and a half he returned to Comillas.

In 1831, he sailed to Cuba, where he resided until 1841, working in Santiago and Havana. He returned to Comillas, but in 1843 he went back to Cuba, where he sold manufactured goods, and in 1844 he opened his own secondhand shop in Santiago. He soon asked the shop's landlord, Andrés Bru, for permission to marry one of his daughters, Lluïsa Bru i Lassus. Returning to Spain in 1846, he married Lluïsa in 1848 in Barcelona and received a dowry worth 50,000 pesetas, which approximately doubled his wealth.

FIRST VENTURES

López first showed his entrepreneurial skills in Cuba. In 1841, he and Manuel Calvo used a small ship to transport flour from Santiago to Havana. The sale of this ship financed López's return to Spain. In 1848, while in Barcelona, López converted his secondhand shop into a general partnership known as Valdés y López. In 1849, the business was renamed Antonio López y Hermano after his partner, Domingo A. Valdés, withdrew from the business; however, López's father-in-law and brother-in-law, Andrés Bru i Lassus, joined the partnership.

With Lluïsa's dowry and her brother and father's capital, López returned to Santiago in 1849 and expanded his ventures. In 1851, he and Valdés started a steamship line operating between Santiago and Guantánamo; their one ship was likely used to introduce slaves illegally into eastern Cuba. Slaving profits enabled Antonio López y Hermano to buy four sugar plantations and at least two coffee plantations, which came with many slaves. Fleeing a cholera epidemic, López, his wife, and his young children Isabel, Antonio, and María Luisa returned to Barcelona in 1853, where another child, Claudio, was born on May 18. López began liquidating Antonio López y Hermano while looking for other investment opportunities that would permit him to remain in Barcelona. His attempt to start a maritime insurance company there failed. In 1857, he returned to Santiago to settle the estate of his deceased father-in-law and tried to start an insurance company for eastern Cuba, but it also failed.

Mature Wealth

With the profits from Antonio López y Hermano, which exceeded 500,000 pesetas, López and five partners founded the shipping company Antonio López y Compañía (abbreviated as A. López y Cía) on January 11, 1857. Having provided 40 percent of the total capital with 1 million pesetas, López was in charge of the firm. The company was always more than a shipping concern because it also lent money to companies and individuals and acquired property.

During the Spanish-Moroccan War (1859-1860), López ferried troops and supplies to Morocco. This wartime service to Spain enabled A. López y Cía to win at public auction in 1862 the sole right to transport mail between Spain (Cádiz and Santander) and Havana, Cuba, and San Juan, Puerto Rico. The first contract for five years was extended on various occasions to 1932, providing a steady stream of income, exemption from registration fees, the use of naval harbors, and exemption from quarantines. The mail ships also carried troops, civilian passengers, and valuable commodities, such as gold and tobacco. In 1876, López's company privately loaned 5.25 million pesetas to the administration of Spanish prime minister Antonio Castillo for the purpose of ending Spain's Ten Years' War (1868-1878) with Cuban rebels.

In 1878, Antonio made his sole surviving son, Claudio, an active partner in A. López y Cía. In 1881, the company was converted into a stock corporation that was renamed Compañía Transatlántica and valued at 19 million pesetas. To keep control of the firm, López stacked its board of directors with his associates.

The success of his shipping company permitted López to enter the fields of banking and real estate. In 1863, he was one of the founders of Sociedad de Crédito Mercantil, and he became its first vice president and, in 1881, its president. This bank was active in loaning money to businesses and industries and invested in railways; the bank also speculated in the extension (*ensanche*) of the city of Barcelona, making a profit of more than 2 million pesetas despite developing no properties there. In 1872, López joined a group of investors speculating in the extension of Madrid by building a new bullring and redeveloping land near the centrally located old bullfighting arena. The following year, he became a stockholder in José de Salamanca y Mayol's company, developing the area of Madrid's extension now called barrio de Salamanca. As Salamanca's company could not meet its obligations, its investors forced its dissolution and received valuable real estate in compensation. López also bought real estate in Barcelona, Santander, Cádiz, and Toledo.

In 1876, López was one of the founders of the Banco Hispano Colonial in Barcelona. This bank was to loan money to Spain to help finance the war in Cuba. Thanks largely to López, the bank raised 125 million pesetas. A grateful Spanish government in 1880 signed an agreement giving the bank 10 percent interest, a share in the increase in Cuban customs, and the right to deal in Cuban mortgage securities and invest in other ventures.

A devout Catholic, López supported the Catalan priest-poet Jacint Verdaguer and the Roman Catholic Church. Verdaguer served as chaplain for Compañía Transatlántica from December, 1873, to November, 1876, when he became the personal chaplain to López, who had just lost his oldest son Antonio and wanted his other son, Claudio, protected via daily masses. López underwrote the definitive Catalan edition of Verdaguer's epic poem *L'Atlàntida* (1876) and paid for its translation into Castilian. In 1881, López agreed to underwrite the construction of the Seminario Pontificio de Comillas, a seminary that was to prepare poor young men for the priesthood. He provided 500,000 pesetas for the seminary in return for picking its site and complete indulgence of his sins at death.

In 1878, King Alfonso XII awarded López the title of marqués de Comillas. The same year, López became vice president of Compañía de los Caminos de Hierro del Norte, a railroad construction company. He complemented his growing control of Spain's northern railways with investments in the coal company Hullera Española. In 1881, López founded the Compañía General de Tabacos de Filipinas, which soon controlled Philippine tobacco production. López's highest honor came on October 31, 1881, when Alfonso XII conferred on him, his

The Architectural Heritage of Comillas

A fishing village prior to the 1880's, Comillas, Spain, is a Cantabrian seaside resort known for its Catalan Art Nouveau architecture. The municipality owes this unusual distinction primarily to its native son, Antonio López y López. In 1865, he bought for his mother the Casa Ocejo, a cubic three-story house with a front facade of ashlars. His brother Claudio lived next door; Patricio Satrústegui, an old friend and associate, lived on the other side of Casa Ocejo.

As the summer of 1881 began, doctors recommended that the royal family bathe in Cantabrian seawater during several months to alleviate ailments. There were many offers of lodging, but King Alfonso XII asked López's permission to stay at Comillas; Antonio, Claudio, and Patricio's houses were used to accommodate the royal family and retinue. Many alterations were made to Casa Ocejo, where the king, queen consort María Cristina, and tiny princess María de las Mercedes stayed; the Casa de Ocejo's gardens were connected to those next door and were lit with electric lamps, and the rooms were lavishly redecorated. The king was so pleased that the visit was repeated in the summer of 1882.

Near Casa Ocejo is a pantheon-chapel that was inaugurated on August 28, 1881, with the royal family in attendance. In 1878, López commissioned the Catalan architect Joan Martorell i Montells to build it. The pantheon-chapel, in which López and his son Claudio are entombed, is a small version of a cathedral designed in the architectural style of Perpendicular Gothic. Famed Catalan architect Antonio Gaudí designed the interior furniture in a Gothic-modernist style, which pleased López so much that he asked Gaudí to design a pergola for Casa Ocejo's garden.

Next to the pantheon-chapel stands the Palace of Sobrellano, which López in 1878 also commissioned Martorell to build. The first stone was laid on July 29, 1881, on the site of López's old home and the building was completed in 1888. It is Perpendicular Gothic with modernist touches and has a front facade of open galleries with archways. The interior is spectacular, with a Great Hall containing eight frescoes by Eduardo Llorens highlighting the lives of López and his son Claudio. Nearby Sobrellano is Gaudí's El Capricho, a fantastical summer mansion in the Neo-Mudéjar architectural style, commissioned in 1883 by López's brother-in-law, Máximo Díaz de Quijano; in the twenty-first century, the mansion housed a fine restaurant.

On a hill west of Casa Ocejo, the huge Seminario Pontificio de Comillas complex was abandoned in the 1960's when the Universidad Pontificia Comillas moved to Madrid. This Jesuit seminary was built under the direction of Martorell in a Gothic-Mudéjar style. In 1899, the Catalan architect Lluis Domènench i Montaner added modernist decor.

The Comillas monument to Antonio López y López was built in 1889-1890 under the direction of the Catalan modernist architects Domènench and Cristóbal Cascante i Colom. It is a column rising from a ship's keel, with a statue of López atop and decorative elements that relate to maritime activities in the Antilles and the Philippines.

children, and legitimate successors a grandeeship, an award that came with a seat in the Spanish senate. The royal decree stated that the honor recognized López's patriotism and dedication to Spain's merchant marine.

López died unexpectedly in 1883 in his palace, Palau Moja, in Barcelona. News of his death produced a significant drop in the price of shares of his banks and companies. He was buried on January 19, 1883, and his funeral was celebrated at the Cathedral of Barcelona on February 28. Barcelona erected a monument with a statue of him atop; on its pedestal are engraved these words of Alfonso XII: "España ha perdido uno de los hombres que más grandes servicios le ha prestado" (Spain has lost one of the men who rendered it the greatest services). His personal property of more than 14 million pesetas was left to his spouse; after her death, the remaining wealth was to be divided equally between the two surviving children, Claudio and Isabel. In addition, a trust was established for Claudio stipulating that all landed property would pass to him and that he would manage López's commercial empire.

Legacy

Antonio López y López was a self-made magnate of nineteenth century Spain. He rose from poverty to make a fortune that was rooted in Cuba but blossomed in Spain because of his business acumen and skill in leveraging his own investments with those of family members and trusted associates, who usually were *indianos* (returnees from the Americas) like him. He is the prototype of a bourgeois who used his ties to the Spanish nation and to the industrial elite of Barcelona to develop a commercial empire that outlived him for many years. His evolution from individual capitalism to corporate capitalism was not matched by any other contemporary Spaniard.

—Steven L. Driever

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See also: Miguel de Aldama; Emilio Bacardi; Manuel Calvo; José de Salamanca y Mayol; José Xifré.

Louis XIV

French king

King Louis XIV was the absolute ruler of the French people. Louis used the income of the French nation as his personal coffers, involving France in expensive wars to expand the nation's boundaries and building monuments to his glory, including the Palace of Versailles.

Born: September 5, 1638; Château de Saint-Germain, Saint-Germain-en-Laye, France
Died: September 1, 1715; Versailles, France
Also known as: Louis Dieudonné de France; Louis Auguste de France; the Sun King
Sources of wealth: Inheritance; government; real estate
Bequeathal of wealth: Relatives

Early Life

Louis XIV (lew-EE kah-TOHRZ) was the son of King Louis XIII of France and Anne of Austria, daughter of Philip III of Spain. Louis's parents married in 1615, but there was no heir for twenty-three years until Louis's birth in 1638. Queen Anne was regarded as too old to bear a child, and Louis XIII was too sickly and not interested in his wife. The birth of Louis XIV generated national rejoicing because a healthy heir was born. He was given the name Louis Dieudonné, which means Louis given by God.

The death of Louis XIII in 1643 elevated Louis Dieudonné to the position of king when he was not quite five years of age. For almost twenty years, Louis XIV allowed Cardinal Jules Mazarin to guide France. While growing up, Louis XIV felt humiliated by the French nobles and threatened by the people of Paris, significant factors in shaping future state policies.

First Ventures

In 1660, Louis XIV married Maria Theresa of Spain. The king had six children with his wife, but only the eldest son, Louis, Dauphin of France, survived to adulthood to marry and father children. King Louis was repeatedly unfaithful to his wife and had a number of illegitimate children. With Mazarin's death in 1661, Louis XIV assumed full control of the management of France. He never called into session the Estates-General, a legislative agency; he suppressed the *parlements*, which dispensed justice; and he sold the mayoralties to the highest bidder or made these positions hereditary. King Louis regarded himself as God's vicar on earth, and all his decisions were therefore purportedly made with the aid of God and therefore were of divine infallibility. He selected the image of the sun as his emblem because the sun, like the king himself, was the source of all light and life.

Louis XIV was poorly educated but usually made sound judgments. Under his finance minister Jean-Baptiste Colbert, the nation's finances were reorganized by mandating the collection of taxes from French citizens, except for the clergy and nobility, who were exempt from taxation. With the king's consent, Colbert supported old crafts and industries and encouraged new business ventures, such as the manufacture of silks, carpets, lace, tapestries, brocades, pottery, glass, porcelain, mosaics, and furniture. State inspectors ensured quality of workmanship. The nobles had been subdued by Mazarin before his death in the Wars of the Fronde (1648-1653). Louis eliminated another rival, the French Protestants, or Huguenots, by revoking the Edict of Nantes, which provided them with freedom of worship and the ability to fortify their own cities. By killing or expelling the Huguenots, Louis destroyed France's fledgling middle class, creating future financial crises.

Mature Wealth

As absolute monarch of France, Louis XIV had two primary goals: to make France master of Europe and to make French culture supreme. He spared no expense in financing wars to add more territory and in creating the Palace of Versailles as a suitable memorial to himself, the Sun King. France's wars drained the economy of much-needed money. He failed to seize the Spanish Netherlands (now Belgium) from Spain, and in backing his cousin James II, the deposed king of England, Scotland, and Ireland, in a restoration attempt, he ran afoul of the ruling monarchs, William III and Mary II. The only war that achieved a major result for Louis XIV was the War of the Spanish Succession (1701-1714), which was waged to place his grandson, Philip, duke of Anjou, on the Spanish throne. Louis's grandson was eventually recognized as King Philip V of Spain but at great cost in French lives, colonies, and money.

The construction of Versailles began in 1669 and continued until 1701. The true cost remains unknown because the account books were destroyed. Historian Will Durant surmised in 1963 that the cost of the gardens, buildings, furniture, decorations, and aqueducts was at least $500 million. Versailles's location kept Louis from the Parisians that he so despised. The creation of the *levée*, a ceremony performed when the king awoke, kept 150 nobles in attendance on Louis in the morning and again in the evening for the *couchée*, or putting the king to bed, These rituals humiliated the nobles, while keeping them under the king's roof and watchful eye. The French court's ceremonial system was the strictest in Europe, determining to whom the courtiers would have access, and when and where this access would occur. Language and gestures were codified according to circumstance. Courtiers entertained each other in conversation, gaming, reading, music, and amateur theatricals. The king offered a reception or show every evening in winter. Special festivals lasted for days and accompanied weddings, military victories, and the arrival of foreign royalty. From 1682 to 1715, twelve hundred tragedies and comedies were performed at Versailles. Meals were lavish displays of rare and exotic dishes that ran in successive waves but lasted only forty-five minutes. The film *Vatel* (2000), about a renowned French chef that Louis XIV wanted to serve him at Versailles, visually illustrates the complexity and expense of keeping Louis XIV entertained and well fed for each daily meal. The strain was too much for the chef, François Vatel, who committed suicide rather than serve his king at Versailles.

Louis XIV. (Library of Congress)

Legacy

Louis XIV failed in his attempts to make France the dominant power in Europe. His wars left the national treasury bankrupt. The extravagance in

Palace of Versailles

What became the Palace of Versailles began as a hunting lodge of brick, stone, and slate. Even with extensions, the building was too small. King Louis XIV of France made the decision to tear down the structure and build a new residence on the site. The original intent was for Versailles to be a temporary residence, but the congestion and perceived unhealthy climate in Paris eventually made Versailles Louis's permanent home.

The palace was located on an estate of eight hundred hectares (almost two thousand acres). Versailles had seven hundred rooms, with sixty-seven staircases covering a space of eleven hectares (about twenty-seven acres). The gardens had more than 200,000 trees with more than 210,000 flowers and shrubs and fifty fountains. The reflecting pool known as the Grand Canal covered twenty-three hectares (almost fifty-seven acres).

The Grand Apartments were designed to glorify Louis XIV, the Sun King. The decorative motif of the sun with the face of Louis XIV is found throughout the main rooms. Each salon led to other salons, with each dedicated to a heavenly body. The most famous chamber in the palace is the Hall of Mirrors, which measures 73 meters in length, 10.5 meters wide, and 12.3 meters high and has seventeen windows overlooking the gardens matched by seventeen arcaded mirrors along the wall. The ceiling of the hall shows King Louis XIV in various guises, including a Roman emperor, a victor over foreign powers, and the administrator of the kingdom. The queen's suite consists of the queen's guards room, the antechamber, the peers' salon, and the bedchamber. The king's suite includes the king's bedchamber, the council room, the king's guards room, the antechamber, and the *oeil-de-boeuf* salon (room of the bull's eye). Both the Chapel Royal and the Opera House remain two of the palace's most impressive rooms.

The gardens and groves were designed by André Le Nôtre, transforming hills and marshland into what became known as French-style gardens. The gardens follow a geometrical pattern around a main axis with secondary axes, radiating pathways toward circular pools or basins. Two parterres, the Parterre du Midi and the Parterre du Nord, are ornamental reflecting pools ringed with sculpture. The paths are designed to present new vistas, fountains, statues, trellised arbors, and trees trained and pruned into unusual shapes to remove the boredom of the aristocrats while walking the grounds. The most important of the fifty fountains at Versailles is the Apollo Fountain, with the god Apollo arising from the water on his chariot. A central fountain is named for Apollo's mother, Latona. Hidden groves contain a ballroom, a colonnade, and the baths of Apollo.

From King Louis's bedroom windows, the Sun King could awake and glance out to the gardens and the Grand Canal below, and along the horizon line an open space between tree groves allowed him to greet his counterpart, the sun, each morning. The Grand Canal was used for outings, concerts, and nautical festivities, creating a sense of Venice with its gondolas and yachts on the water. A perpendicular branch of the canal linked the menagerie to the Trianon Palace. Some of the parkland was used as a hunting preserve. The estate had an orangery, vegetable gardens, and an arboretum. Additional structures on the Versailles property included the palaces known as the Grand Trianon, the Petit Trianon, and the Queen's Hamlet (or farm).

the building and furnishing of Versailles and the lavish entertainments also contributed to the national debt. France's nobility was as bankrupt as the nation because the nobles attempted to compete with their king in building extravagant mansions and arranging lavish entertainments. When Louis XIV died in 1715, he left his great-grandson, Louis XV, a terrible financial burden.

To his credit, Louis XIV did make French the diplomatic language of Europe. The manufacture of French crystal, tapestries, porcelain, decorative arts, and furniture made France the center of craftsmanship and envy among Europe's other nations. For centuries, monarchs throughout Europe attempted to re-create the splendors of Versailles in their own palaces and to attain artisanal expertise either through importing goods from France or by developing similar industries in their own nations. The lasting legacy of Louis XIV was the development and export of French culture by impoverishing the French people.

—*William A. Paquette*

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See also: Samuel Bernard; Jacques Coeur; Nicolas Fouquet; John Law.

Francis Cabot Lowell

American industrialist

A member of a distinguished family that made significant contributions to the law, the church, and the arts, Lowell established the family's reputation for financial acumen, wealth, and industry by building the first American textile factories and pioneering the mass production methods that initiated the American industrial revolution.

Born: April 7, 1775; Newbury Port, Massachusetts
Died: April 10, 1817; Boston, Massachusetts
Source of wealth: Manufacturing
Bequeathal of wealth: Children; charity

Early Life

Francis Cabot Lowell was the son of John Lowell, a highly respected jurist and a member of the Continental Congress. Francis graduated from Harvard College in 1793 with the highest honors in mathematics. He then embarked on a series of sea voyages to gain knowledge of the world and foreign trade. Setting up in business as a merchant, Lowell by 1802 had acquired more than twenty properties in the Boston area. As the most entrepreneurial member of his family, he looked for new ways to increase its wealth, prestige, and contributions to the welfare of his native land.

First Ventures

In 1810, Lowell traveled to England, where he visited the textile mills in Lancashire. Even though the British government forbade the export of machines or even plans for manufacturing equipment, the keenly observant Lowell put to good use his command of mathematics and memorized the mechanics of power looms. Thus he was able to reconstruct and improve the English industrial equipment used to manufacture cotton goods. By 1812, he had established the Boston Manufacturing Company in Waltham, Massachusetts. In 1814, this firm built the first textile mill in America, converting raw cotton into finished cloth.

Mature Wealth

Lowell's wealth was generated by his ability to take advantage of new technology (such as a new power loom invented by Paul Moody) and of new ways of financing and growing his business. He arranged to sell \$1,000 worth of shares in his company's stock to the public. In so doing, he helped to establish shareholder businesses and public stock offerings as one of the fundamental methods of expanding American industry and commerce. By 1815, shares in Lowell's company paid a 10 percent return, and by 1817 the return had doubled to 20 percent. This stock return was possible, in part, because in 1816 Lowell successfully lobbied Congress to impose a tariff on cotton, thus ensuring that his manufactured goods would be protected against imports from England and other countries.

At the same time, Lowell created a new workforce for his industry, employing farm laborers and young women as textile workers in what became known as the Lowell system. He was heavily criticized for paying low wages, especially to women, but he compensated his workers with subsidized housing in company boardinghouses, as well as providing them with religious and educational instruction.

Prone to ill health that was exacerbated by his penchant for overwork, Lowell died in 1817, just a few years after his breakthrough success. However, he had built his business on such a strong foundation that by 1821 his company was able to pay shareholders an astounding 27.5 percent in dividends. He was also fortunate in having a son, Francis Cabot Lowell, Jr., who was able to expand the family business, creating a new mill town in 1826 named Lowell, Massachusetts, after his father.

Legacy

As one of his biographers notes, Francis Cabot Lowell probably did more than any other individual to increase the wealth of New England and by extension improve the commerce of the entire United States, beginning the process of transforming America from an agricultural to an industrialized power. The factory system he pioneered, for better and worse, established the course of the American industrial economy. On one hand, he drove his workers hard (as he drove himself); on the other hand, he provided for their welfare, demonstrating a humanitarian concern for his employees that set a standard for other industrial enterprises. Writers like Henry David Thoreau criticized Lowell and his successors for suppressing American individualism, yet other writers like Charles Dickens, who could be highly critical of Americans and American institutions, visited the Lowell factories and found no fault with them.

—*Carl Rollyson*

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See also: Sir Richard Arkwright; Moses Brown; Paul Cuffe; James Morrison; John Rylands; Samuel Slater; Israel Thorndike.

Samuel Loyd

British banker and politician

Loyd built up a small private bank and by his prudent business methods amassed his own fortune. His understanding of the banking system was of invaluable assistance to the British government in formulating its banking laws.

Born: September 25, 1796; London, England
Died: November 17, 1883; London, England
Also known as: Samuel Jones Loyd; first Baron Overstone
Sources of wealth: Inheritance; banking
Bequeathal of wealth: Children; charity

Early Life

Samuel Jones Loyd, first Baron Overstone, was born into a wealthy banking family. Although his father, Lewis Loyd, had trained as a unitarian minister, he had married the daughter of a Manchester banker, John Jones, and had subsequently entered banking and prospered. Lewis had been sent to London to open a branch there when Samuel, an only child, was born.

Although his father remained unitarian, Samuel was brought up in the Anglican Church, which provided him access to Eton College, one of Britain's leading independent schools, and later to Trinity College, Cambridge University, from which he graduated in 1818. Two years earlier, he had joined his father's bank.

First Ventures

In 1819, Loyd was elected a Liberal Party member of Parliament for Hythe, Kent. He remained in this position until 1826, when his small majority of votes evaporated. He tried to reenter Parliament in 1832, this time seeking to represent Manchester, but he was badly defeated. In the meantime, he had married Harriet Wright, daughter of a Nottingham banker, in 1829. The couple later had one son who died in infancy and a daughter, Harriet Sarah.

At a time when many small private banks were failing, Loyd devoted himself to banking and to understanding banking theory. By 1832, he was an expert on money circulation, currency, and lending, and he was elected to the prestigious Political Economy Club. He opposed limited companies and decimalization (changing the prices at which securities trade from fractions to decimals). His policy of fiscal responsibility and cautious lending was in contrast to the fortunes of the Bank of England, which nearly failed three times in this period. By contrast, the banking firm of Jones, Loyd & Co. earned £2.2 million in profits between 1817 and 1848 (some $4 billion in 2010 currency), one-quarter of which went to Loyd.

MATURE WEALTH

The British government realized that the nation's banking system needed reforming and set up a series of select committees to consider the future of British banking. Loyd appeared before the first committee in 1832. In 1837, he began to publish a series of tracts on various aspects of banking, with special emphasis on the hotly debated topic of whether paper money should be tied closely to the amount of gold bullion that was held by any particular bank.

Loyd's closely reasoned conservative arguments for logical rules for banking were presented to the 1840 select committee, of which Sir Robert Peel, Great Britain's prime minister, was a member. Loyd's testimony was largely responsible for enactment of the Bank Charter Act of 1844. This legislation gave the Bank of England, though still a private bank, the monopoly on issuing banknotes in England and Wales. The amount of paper money in circulation was pegged to the amount of gold and silver that the bank held. This system stabilized British banking until World War I. As a result of Lloyd's efforts to adopt this act and his advice to the government on other matters, he was named first Baron Overstone in 1850.

Loyd's father had retired from the bank in 1844. After being promoted to the peerage, Loyd phased out his banking career, buying several large properties in the country, one of which, Lockinge, contained an extensive library. He devoted himself to working in the House of Lords, accumulating more books and paintings, improving his properties, and contributing to various educational and philanthropic institutions. Jones, Loyd & Co. began to decline, as its conservative practices were no match for some of the joint-stock banks, one of which eventually bought Jones, Loyd.

In 1858, Loyd's daughter married an aristocrat and received Lockinge as a wedding gift. The same year. Loyd's father died, and Loyd inherited his father's property of Overstone and a considerable fortune. After his wife died in 1864, Loyd become increasingly reclusive.

LEGACY

When he died in 1883, Loyd was one of the richest men in Great Britain, with personal wealth of more than £2 million and assets of more than £3 million. However, his real legacy lay not in the amount of fiscal wealth he inherited and accumulated but in his contribution to banking theory and the role of the Bank of England, which helped make London one of the world's banking centers.

—*David Barratt*

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See also: Francis Baring; Hugh Grosvenor; Moses Montefiore; First Baron Rothschild; Nathan Mayer Rothschild.

Andrónico Luksic

Chilean investor and industrialist

Luksic parlayed his purchase of a copper mine in his hometown into one of the largest business empires in Latin America. The Chilean billionaire founded the Luksic Group, one of Latin America's most important industrial conglomerates.

Born: November 5, 1926; Antofagasta, Chile
Died: August 18, 2005; Santiago, Chile
Also known as: Andrónico Luksic Abaroa
Sources of wealth: Mining; banking; tourism; railroads
Bequeathal of wealth: Spouse; children; charity

Early Life

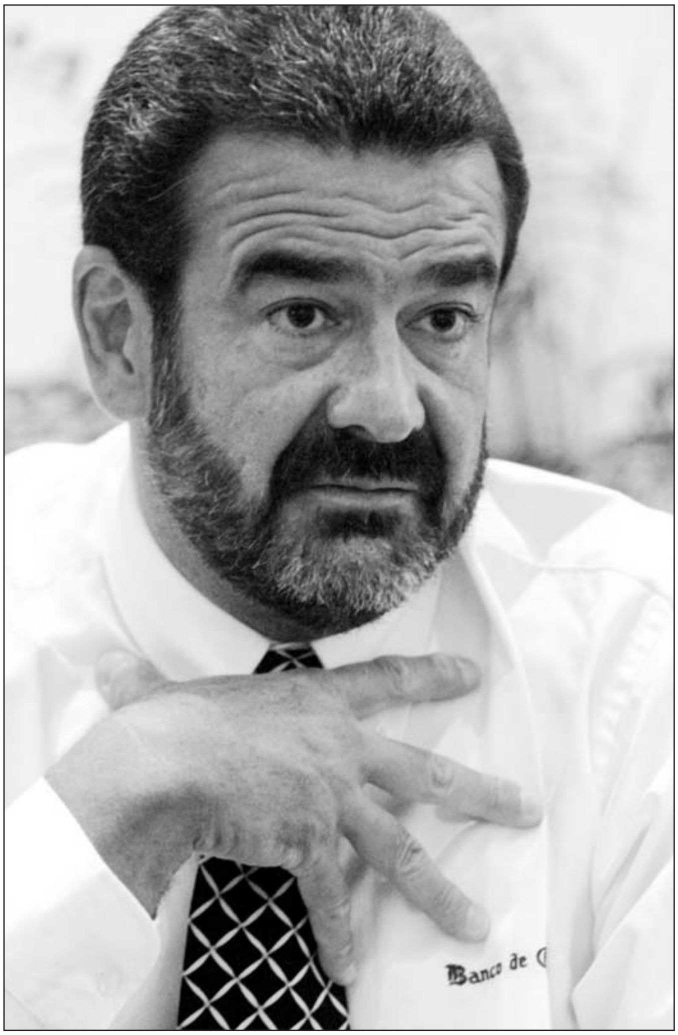
Andrónico Luksic Abaroa (uhn-DROH-nee-koh LEWK-seek ah-bah-ROH-ah), born on November 5, 1926, was one of two children of Policarpo Luksic and Elena Abaroa Luksic. Policarpo was an immigrant who arrived in Chile from Brac, Croatia, in 1910. Policarpo initially made a living in the nitrate business near Antofagasta, Chile, and later imported cattle from Argentina to feed Chilean miners in the Antofagasta area. Elena Abaroa Luksic belonged to a well-off Chilean-Bolivian family. Policarpo wanted his son to become a lawyer and sent Andrónico to the University of Chile, one of the country's finest institutes of higher education. However, Andrónico's inclination was to study economics and to improve his French and English skills. As a result, he moved to Paris to further his education at the Sorbonne, where he wrote a thesis about economic neoliberalism.

Luksic married twice. His first wife was Ena Graig, with whom he had two children, Andrónico and Guillermo. His second wife was Iris Fontbona, with whom he had three children, Jean-Paul, Maria Paola, and Maria Gabriela.

First Ventures

Luksic first showed signs of his sharp entrepreneurial skills when he began conducting profitable money exchanges with francs and pounds during his residence in Europe. He returned to Chile in 1952 with a small capital of $30,000 (in U.S. dollars) that opened the first door for him. His uncle, Juan Abaroa, made him a partner in his Ford concessionary in Antofagasta. Luksic's vision prompted him to convince his uncle, who already imported cars, also to import the heavy-duty machinery, which was much needed in the region.

In 1954, Luksic obtained 70 percent ownership of Portezuelo, a copper mine near Antofagasta. The same year Japanese investors approached him with a proposal to purchase the mine if geological studies produced positive results. The studies were positive, and as a consequence the investors asked Luksic to suggest a price for the mine. Luksic, who was new to the mining industry, thought it wise to invite the investors to state the mine's



Andrónico Luksic. (Bloomberg via Getty Images)

The Andrónico Luksic Foundation

Andrónico Luksic had a long history of involvement in one of the most important charitable organizations in Chile, the Andrónico Luksic Foundation. The foundation has its roots in another Chilean charity, the Lota Schwager Foundation, which began operating in 1958. Four years later, the Schwager foundation obtained a subsidy from the government that permitted it to sponsor and upgrade a trade school in the city of Coronel. This sponsorship enabled low-income students to pursue vocational training at their local high schools.

In 1966, Andrónico Luksic became a board member of the Schwager foundation, and in 1992 he assumed the presidency. In the 1970's and 1980's, the organization concentrated its aid on schools serving impoverished students and on homes committed to assisting needy children. It also granted scholarships to exceptional low-income students, and in 1991 it facilitated the establishment of an agricultural school, the Pascual Baburizza Institute of Los Andes, located in northern Chile.

In 2000, the foundation was renamed the Andrónico Luksic Foundation. Luksic's daughter, Maria Paola Luksic, became vice president of the organization in 2004, and the following year she assumed the presidency because of her father's poor health. Maria Paola Luksic hired competent individuals and appointed new members to the board. This transformation permitted the foundation to get involved in new educational and cultural projects, as well as in novel community engagements. For example, the foundation has associated itself with important national charitable and educational groups, such as the Chile Foundation and the Mercator Foundation, two organizations devoted to implementing technology in education and business. The foundation also began working with Friends of Chilean Cultural Heritage and the Barnechea Learning Foundation.

According to its records, the foundation provides about $10 million worth of assistance annually. The organization continues to grant scholarships to underprivileged students, concentrating its grants in rural areas and small cities. Some of its most innovative projects have been the incorporation of classroom technology for reading and writing programs in country schools and the installation of a Wi-Fi system for the coastal town of Mejillones. Another important educational project is the Cybertrain, a refurbished antique train that rides through the city of Antofagasta, teaching children how to use computers. The Luksic foundation also invests large sums to upgrade and modernize school and university libraries.

In its efforts to advance culture, the foundation has created programs that seek to make indigenous Chilean children proud of their cultural backgrounds. The foundation has helped establish orchestras that play indigenous instruments and has created several traditional dance groups across the country. It has also granted scholarships to teenagers who have demonstrated talent in the arts. Some of the significant social programs supported by the foundation are the formation of workshops in high-risk neighborhoods; the provision of entertainment, such as circus performances, to these areas; and the use of aromatherapy and dog therapy for children with cognitive problems.

value. The Japanese offered $500,000. Luksic concluded that this amount not only covered the price he had paid but also made him a good profit, and he accepted the figure. He was pleasantly surprised at the closing of the transaction, when he realized that the Japanese paid him $500,000 in American currency instead of in the Chilean currency he thought he would receive. Obtaining this much larger amount signaled the first of a series of providential events for Luksic that also marked the beginning of many future economic successes.

Mature Wealth

Luksic not only was lucky but also was highly shrewd in his approach to business. He believed in never using his own money to invest, he was committed to diversifying his profits, and he trusted his instincts, taking risks when others did not. In an interview with *El Mercurio*, a major Chilean newspaper, he said that the first step he took after the sale of Portezuelo was to deposit the $500,000 in the Grace Bank of New York in order to use it as collateral. After that, he built his fortune with bank loans that he invested intelligently. At the beginning of the 1950's, he founded the Luksic Group, an industrial conglomerate based in Antofagasta. This company initially was a mining firm, but it soon began investing in metal processing, power distribution, transportation, timber, and agriculture. In 1957, Luksic created Quiñenco S.A., another business group that diversified into the industrial and financial sectors.

Luksic's investments nearly came to a halt during Salvador Allende's socialist government (1970-1973). Allende's policies of confiscating privately owned businesses meant that Luksic had to quickly liquidate his companies, and the Luksic Group had to pursue business in the Argentinean, Colombian, and Brazilian markets. It was at this juncture that Luksic demonstrated the frankness and ability to negotiate that members of the Allende cabinet later remembered as both cunning and effective. During a commemoration by the Chilean congress after Luksic's death in 2005, Fernando Flores, who was in charge of the expropriation process under Allende, recalled that he was impressed with Luksic's answer when Flores was called in to seize Luksic's businesses. Luksic told him that what really mattered were his workers, not his industries. The government reacted to Luksic's humanitarian response by allowing him to continue to operate some of his companies.

In 1974, under Augusto Pinochet's dictatorship, restrictions were lifted and the Luksic Group resumed its investments in copper mining. In the early1980's, in the midst of Chile's economic crisis, Luksic's investments expanded swiftly. He employed two very crafty business tactics: diversification and the purchase of ailing companies to turn them into profitable ventures. The first lucrative move based on these strategies came in 1980, when Luksic acquired the almost bankrupt Antofagasta and Bolivian Railway Company PLC. In 1982, the firm's name was changed to Antofagasta Holding PLC, and in 1999 it became Antofagasta PLC. The new holding company expanded its interests in railways, and although it did branch out into banking and manufacturing, its activities were concentrated in mining. In 1983, the company began underground extraction at the Michilla mine and started copper mining at Los Pelambres, one of the world's largest mines, located north of Santiago, Chile.

During the 1980's, the Luksic Group Quiñenco purchased a number of almost bankrupt businesses. Among the most important were Luchetti S.A., a pasta maker with branches in Argentina and Peru; Madeco S.A., a leading metal producer; Habitaria, a real estate development firm; and the Hotel Carrera, then the classiest hotel in Santiago. The hotel later became part of Hotel Carrera S.A., which in the twenty-first century provided tourism, recreation, and transportation services and invested in real estate, stocks, bonds, and debentures. In 1985, Luksic entered into partnership with Joseph Schoghuber in order to buy Compania Cervecerias Unidas S.A. (CCU), the largest brewery in Chile. The Luksic Group Quiñenco entered the financial services business in the 1980's by partnering with Banco Santiago and Banco O'Higgins. In addition, the Quiñenco Group was responsible for the merger of Banco Edwards and Banco de Chile, two major Chilean banks.

In 2009, Antofagasta PLC and Quiñenco S.A. were part of the Luksic Group, one of Latin America's most important conglomerates. Quiñenco's holdings include Banco de Chile, CCU, Telefonica del Sur, and Madeco S.A. The sales of this group of companies combined reached more than $4.1 billion (in U.S. dollars) in 2008. Antofagasta PLC continues to invest in the copper industry and is one of the world's largest producers of this metal. This corporation also operates the railway that services the mines in the north of Chile and is involved in the distribution of water in the Antofagasta region.

Luksic also owned the luxurious Grand Villa Argentina Hotel in Dubrovnik, Croatia. His personal fortune was estimated to be $4.3 billion when he died in 2005, making him the world's 132d-wealthiest individual in that year.

Legacy

In a commemoration by the Chilean congress after Andrónico Luksic's death, a senator said that history will remember Luksic as a central figure in the construction of Chile's strong economy. The Luksic Group is the fourth largest investment conglomerate in Latin America and has helped maintain Chile's economic stability as one of the nation's largest employers. Luksic not only left a financial legacy but also left a mark in the community. In Chile, he founded the Andrónico Luksic Foundation, which works to promote education, culture, and social programs for the needy. He also established the Luksic Fellowship for Croatia at Harvard University's John F. Kennedy School of Government.

—María Silva

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See also: Moritz Hochschild; Luis Noboa; Simón Iturri Patiño; José Tomás Urmeneta.

Ma Yueguan

Chinese merchant

Ma and his brother were wealthy salt merchants in Yangzhou, China, during the Qing Dynasty. They employed their wealth to patronize Chinese scholars and artists and to create a renowned literary society.

Born: c. 1688; Yangzhou, China
Died: 1755; Yangzhou, China
Also known as: Ma Yueh-kuan
Source of wealth: Trade
Bequeathal of wealth: Children

Early Life

Ma Yueguan (mah yew-gwahn) was descended from a venerable but not wealthy family. His grandfather, Ma Chengyun, first entered the salt business, moving to Yangzhou from Anhui Province. Yangzhou was the center of the lucrative Chinese salt monopoly. Located on the intersection of the Yangtze River and the Grand Canal, near rich salt deposits, Yangzhou supplied salt for much of China. The salt trade was a monopoly of the Chinese government, which entrusted the salt business to Yangzhou merchants of the Lianghuai district. In exchange, the Lianghuai salt merchants delivered great sums of taxes from salt transactions to the Qing Dynasty.

In the eighteenth century, when the salt merchants of Yangzhou acquired wealth of legendary proportions, it is estimated that their annual profit was about 5 million taels of silver. (Silver taels were the currency of wealth in premodern China; 1 silver tael is estimated to have been worth about $40 in 2010 currency.) The income of the salt merchants was rivaled only by the equally famous Cohong merchants of the port of Canton. Ma Yueguan was raised by his family to play a leading role in the Lianghuai salt trade. His prominence was such that while still a young man, he met the Qing emperor during his visit to Yangzhou. Ma was also selected to present birthday congratulations to the empress dowager.

First Ventures

Ma Yueguan operated in the salt trade with his younger brother Ma Yuelu. They were among the wealthiest of the two hundred head merchants of the Lianghuai district, receiving special privileges from the Qing Dynasty. Because of the brothers' success, their biographies were written by prominent eighteenth century scholars Liu E, Chuan Zuwang, and Hang Shizhun. Although the exact quantity of their wealth is not recorded, it is indicated by their property and possessions. The Mas owned a garden estate called the Little Translucent Mountain Cottage in the fashionable northwest section of Yangzhou. This cottage was a multistory complex with rooms dedicated to the family's treasure trove of rare books and fine art. The family monastery, called the Temporary Retreat, was located on the outskirts of town. The Ma libraries, with more than 100,000 rare books, were considered the finest private collections in China. Their collection of rare Song and Yuan Dynasty scrolls was memorialized in an essay by Chuan Zuwang. The Ma brothers owned paintings and scrolls by some of China's leading artists and calligraphers. Their antiques included a famous lamp from the Han Dynasty, a silver wine cup made by the most celebrated silversmith of the Yuan Dynasty, a famous scroll from the Ming Dynasty, and the hanging scroll *Heavy Snow in a Gusty Wind* by the celebrated Song Dynasty painter Guo Xi. The Ma brothers were able to devote a large portion of their wealth to their literary pursuits in part because the size of their clan was relatively small.

Mature Wealth

The Ma brothers have entered history as the greatest patrons of literary and artistic culture in eighteenth century Yangzhou. According to historian Ginger Cheng-chi Hsü, the brothers may well have been the greatest private patrons in the history of China. The head merchants of the Yangzhou salt commerce had become so wealthy that their extravagance was notorious. The contemporary historian Li Dou recorded instances of salt merchants who spent several hundred thousand silver taels for weddings and funerals, who kept hundreds of horses, who dined on ten gourmet dishes at every meal, and who scattered gold foil in the wind to showcase their wealth. One salt merchant kept wooden nude female statutes in his hall, which his servants would operate mechanically to the amazement of his guests. Another collected large novelty dolls at the cost of 3,000 taels. Another merchant erected for himself a six-foot-tall bronze urinal.

The Ma brothers, however, used their accumulated wealth to patronize the arts of China. They paid for a restoration of the well-known Plum Blossom Academy, including three shrines, classrooms, and sixty-four dormitories. Their book collection was known as the Ts'ung-shu-lou chi studio. Consulting with scholars, the Mas gathered information about precious manuscripts and

The Salt Monopoly and Great Wealth

Salt has helped shape the course of civilizations and has been a generator of wealth for governments and individuals. Salt is an edible rock that is essential for human consumption. It is also vital as a food preservative and seasoning. Because salt is difficult to extract from rock, river, and lake beds, it is easily regulated by official administrators.

China established the first governmental salt monopoly in the third century B.C.E. For the next two millennia, the Chinese imperial administration collected enormous sums from its monopoly, sometimes as much as half of the total government revenue. The Roman Empire did not establish a salt monopoly, but it closely regulated its extraction and trade, taxing salt and distributing it to gain favor from citizens and soldiers. The African city of Timbuktu grew rich from the salt trade. Starting in the twelfth century, camel caravans carried salt from the Taudenni and Taghaza salt mines to Timbuktu, where it brought great wealth to the city. Timbuktu became fabled for its schools, mosques, and libraries that were financed by the salt trade. The famous French salt tax, the Gabelle, was levied from 1286 to 1790.

Some of the greatest salt fortunes were made by Yangzhou merchants, entrusted by China's Qing Dynasty to administer the salt monopoly. Yangzhou, a city in the province of Lianghuai, was strategically located at the center of China's strategic rivers and canals and nearby the rich salt beds of the Yellow River. The Chinese imperial government licensed merchants to engage in the salt trade; in exchange, these merchants remitted fixed sums of money to the imperial coffers. In times of prosperity, the revenues remaining to the salt merchants could be immense. While no individual salt merchant may have achieved the enormous wealth of the wealthiest of the Cohong merchants of Canton, collectively the Yangzhou salt merchants achieved greater wealth. The aggregate wealth of the salt merchants in the second half of the eighteenth century has been estimated at a staggering 250 million taels. In the summer of 1768 alone, the Lianghuai merchants spent 5 million taels entertaining the visiting emperor. The salt merchant Cheng Mengxing was famous for his bamboo garden. The libraries of the merchants Wang Qishu and Bao Tingbo were second only to that of the brothers Ma Yueguan and Ma Yuelu. The salt merchant Fan Huo of the distinguished Fan clan attained a great fortune, and he was noted for the exquisite rarities on his estate—fine silks and cotton and hairpins made of jade, tortoise shells, rhinoceros horn, and ivory. He also gave to charity in times of disaster. An Luzun, also known as An Qi, was the wealthiest salt merchant of the seventeenth century, noted both for his extravagant lifestyle and for subsidizing the scholar Zhu Yizun with a gift of 10,000 taels. Salt merchant Bao Zhidao achieved fame for building and repairing Confucian temples.

The revenues of the Lianghuai salt merchants declined with the decay of the Qing Dynasty in the nineteenth century. Many of the merchants went bankrupt, and their luxurious villas and gardens went into ruin.

then spared no expense in locating and acquiring them. For books they could not acquire, such as the twenty-thousand-volume encyclopedia of the *Great Canon of the Yung-Lo Era*, dating from 1407, they employed a small army of copiers. The libraries of the Ma family attained such fame that the Qianlong emperor personally examined their printed inventory in 1773, expressing wonderment at the contents. Their publishing house printed rare and contemporary books. Their personal *chop* (a personal seal, equivalent to a signature) was Ma Pan (Ma edition). Ma Pan became known in China for the superior quality of printing with which its books were produced, with each volume scrupulously examined to eliminate forgeries. The company's biographies of the authors Han You and Liu Zongyuan, published in 1729 and 1730, respectively, in antique Song Dynasty style, were particularly admired. The Ts'ung-shu-lou chi studio also contained antique scrolls, stone rubbings, and masterpieces of calligraphy.

The Ma brothers supported several of the finest poets, writers, and scholars of the period, providing them with room, board, and a stipend. For the most distinguished writers, such as Liu E, Ma Yueguan paid all expenses, including rental properties for his family, culinary delicacies, and a new concubine. Liu noted in one of his books that the work was composed at the Ma estate. The poet Chen Zhang lived in Ma's garden estate for twenty years, which enabled him to concentrate on composing his poems. It is recorded that Ma paid for the marriage, medical, and funeral expenses of several other writers, as well as publishing their works.

Ma also hosted the Hsing-an literary society, in which writers and artists would gather regularly in the Ma gardens. During these occasions, the Ma brothers would proudly look on as the guests were regaled with lavish banquets, fine wines, and musical entertainment while discussing poetry, calligraphy, and art. The artists Fang Shishu and Ye Fanglin painted a scene of such a gathering in the silk scroll *Literary Gathering at Hsing-an on the Double Nine* (1743), which was eventually acquired by the Cleveland Museum of Art. In this scroll, poets and painters are depicted in every mode of relaxation and contemplation in Ma's opulent gardens, while Ma oversees the entire convocation with delight.

It can be assumed that what remained of the Ma brothers' wealth was passed on to their descendants. In 1772, Ma Yu, the son of Ma Yuelu, submitted a large quantity of rare manuscripts to the Qing imperial manuscript library, of which 776 were copied.

The wealth of later generations of the Ma family declined, along with those of other Lianghuai salt merchants. The Little Translucent Mountain Cottage fell into ruin and was sold.

Legacy

The eighteenth century salt merchants of Yangzhou accumulated great fortunes, much of which was expended in conspicuous consumption and extravagance. Ma Yueguan and his younger brother Ma Yuelu used their wealth to become among the great literary and artistic patrons in Chinese history, collecting rare books and fine paintings and supporting a select group of scholars, artists, and poets. Their collection of books was second only to that of the imperial court.

The wealth of the Luanghuai salt merchants made Yangzhou a city of luxury shops, fine restaurants, pleasure barges, and musical theaters, as well as a literary and artistic showpiece. As such, Yangzhou deserves to enter the lore of legendary and historic cities, such as Periclean Athens, scholarly Timbuktu, Baghdad during the reign of Hārūn al-Rashīd, and Vienna and Paris during the years of the great salons and cafés. The Ma brothers contributed to the Yangzhou renaissance with their great wealth and discriminating tastes. The scrolls depicting their gatherings, the tributes paid to the brothers by their contemporaries, and the brothers' rare manuscripts and artwork demonstrate that they were among the few rich people who combined great mercantile wealth with unselfish devotion to civic culture.

—*Howard Bromberg*

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See also: Heshen; Huang Zhiyun; Wu Bingjian.

JOHN D. MACARTHUR

American insurance executive and real estate developer

Through his ingenuity and capacity for hard work, MacArthur scraped his way through the Depression to become, at his death, one of the richest men in the United States. His immense wealth supports one of the largest American foundations.

Born: March 6, 1897; West Pittston, Pennsylvania
Died: January 6, 1978; West Palm Beach, Florida
Also known as: John Donald MacArthur
Sources of wealth: Insurance; sale of products; real estate
Bequeathal of wealth: Spouse; children; charity

EARLY LIFE

John Donald MacArthur was born in 1897 in West Pittston, Pennsylvania, the seventh and last child of William and Georgiana MacArthur. William, an evangelist, moved his family to Chicago in 1901 to serve in a supervisory position with the Christian and Missionary Alliance and also as pastor of the Gospel Tabernacle at Lawndale. A charismatic speaker who traveled a great deal, William was a harsh bully at home, where Georgiana and the children barely managed to get by. In his first year of high school, John, a prankster, did well in English, history, and algebra but made D's in deportment. At the beginning of his second year, Georgiana died, and John dropped out of school in 1915.

FIRST VENTURES

Following halfhearted attempts at selling insurance and working as a cub reporter, MacArthur served brief stints in the U.S. Navy and the Royal Air Force before being discharged as unfit for service. He returned to Oak Park to work for his brother, Alfred, selling insurance for National Life and working relentlessly to sell policies. He married Louise Ingalls in 1920 and the couple had two children, but the marriage failed.

In 1928, MacArthur met young, ambitious Catherine T. Hyland at National Life, and they both left to work for the State Life Insurance Company of Illinois. While the Depression was no kinder to insurance companies than to any other business, MacArthur's response was to work even harder. In exchange for release from his contract, State Life aided him in purchasing a small, failing firm that became Marquette Life Insurance Company and severely tested MacArthur's frantic efforts to keep it afloat during 1930-1931. Here MacArthur began the questionable practice of stalling the payment of claims in order to show a surplus for the insurance examiner, which enabled him to temporarily prevent insolvency.

In 1935, MacArthur borrowed $2,500 and purchased Bankers Life and Casualty, a small, bankrupt company. While Catherine ran the office, MacArthur sold policies and continued breaking the rules to keep the company alive. He sold policies for amounts below the $10 minimum premium, going as low as $1 or $2, and sold policies by mail. MacArthur sent a letter to one thousand potential customers a week, and the results were astounding. Before long, he had received $70,000, and by 1941, Bankers Life had $20 million of life insurance in force and assets of $404,598.

MATURE WEALTH

The success of Bankers Life allowed MacArthur to expand his company's home office and, through a series of mergers, acquisitions, and divestitures, to convert Bankers Life from a mutual insurance company to a stock company, with only one stockholder: himself. He bought up office buildings in New York and a hotel in Las Vegas, and he invested in *Theatre Arts* magazine, where his brother, Charles MacArthur, was the editor. Charles eventually became a famous playwright, and MacArthur also invested in theater productions by Charles and writer Ben Hecht.

MacArthur continued to be targeted by insurance commissioners who investigated his company's investment activities and policies—procedures that MacArthur found invigorating. He relished battling adversaries, and he pursued his own litigious inclinations by engaging in a three-year clash with the state of Georgia's insurance department. He also skirmished with Blue Cross and Blue Shield, when these companies complained that Bankers Life's white cross logo was similar to their blue cross logo. In taking on authoritative bodies and challenging them with his skill and energy, MacArthur was frequently found guilty and fined, but he enjoyed the fray.

In the mid-1950's, MacArthur's foreclosure on several thousand acres of land at Lake Park in Palm Beach County, Florida, led to plans for a $20 million real estate development to include hotels, motels, a yacht club, and a golf course along the oceanfront, as well as sixty-six hundred home sites, half of which were on the ocean. After World War II, Florida was ripe for a land boom, and MacArthur was a new type of entrepreneur whose wealth allowed him to develop cities and huge areas of the state. As Bankers Life continued its phenomenal growth, MacArthur continued buying millions of dollars' worth of property. He created a new Florida city, Palm Beach Gardens, that covered four thousand acres. He transplanted huge banyan trees from other areas to decorate the city and its new shopping center. To provide jobs for the families moving into MacArthur's city, RCA (Radio Corporation of America) announced plans for a $4 million electronic data processing plant in the area that would initially employ one thousand workers. MacArthur's development resulted in construction of schools and churches, and Palm Beach Gardens was cited in the 1970 census as the fastest-growing city in the United States. Its population in a decade had risen from 1 to 6,103, and by its twentieth anniversary the population was 15,000.

After failing to convince Disney World to locate in Palm Beach County, MacArthur settled for the headquarters of the Professional Golfers' Association of America (PGA), lending the association $1.5 million for an elegant new clubhouse. In 1963, MacArthur purchased the Colonnades Beach Hotel at the south end of Singer Island in Palm Beach County, extensively remodeling the slightly rundown hotel to include more than four hundred rooms, duplex apartments, restaurant facilities, tennis courts, and swimming pools, all on sixteen acres of private land. The resort proved to be quite popular with tour groups and celebrities. Against advice, MacArthur insisted upon renovating rather than rebuilding the Colonnades because he liked the hotel's "character." He closed deals from his office in the hotel's coffee shop, skillfully controlling his empire from the center of its bustling activity.

In addition to his own development projects, he served on boards of directors for numerous other real estate development companies in Florida. He owned a West Palm Beach television station, and when he was nearly eighty, he continued to buy hotels to add to his valuable ocean frontage. He donated one prized stretch of oceanfront property to the public.

MacArthur elected to live out his remaining years in Florida, while carefully maintaining his Illinois residency. His legendary rise to become the largest landholder in Florida and the nation's second-richest man

The MacArthur Genius Awards

The MacArthur Fellows Program, although accounting for only a small part of the John D. and Catherine T. MacArthur Foundation's annual grants, is widely known for awarding large sums of money to individuals who show "exceptional merit and promise for continued and enhanced creative work." Each year since 1981, the fellows program has bestowed between twenty and thirty grants, known as "genius awards," of $500,000 each to writers, musicians, scientists, artists, medical researchers, teachers, entrepreneurs, or any individuals approved by the board of directors. Given not as a reward but as an investment in individuals' further development, the awards are paid out in equal quarterly installments over a period of five years. There are "no strings attached" to the awards, and recipients are free to use the money as they see fit, with no obligation to the foundation. Between 1981 and 2008, around eight hundred awards were presented.

The genius awards cannot be applied for, nor can prospective awardees gain interviews. Nominations are made by a large panel of individuals representing broad areas of interest. Following a lengthy review of all nominees, the twelve-person selection committee makes its recommendations to the president and board of directors of the foundation. All individuals who are involved in the process function anonymously, and the process is confidential. The recipients never know who recommended them; their first contact with the foundation is a telephone call informing them of their award.

The award winners include computer scientist Timothy Berners-Lee; paleontologist Stephen Jay Gould; choreographers Merce Cunningham, Bill T. Jones, and Twyla Tharp; writers Octavia Butler, Sandra Cisneros, Edwidge Danticat, Guy Davenport, William Kennedy, Jonathan Lethem, Cormac McCarthy, and Thomas Pynchon; musicians Ornette Coleman and Regina Carter; historian Taylor Branch; architectural critic Ada Louise Huxtable; and literary critic Harold Bloom.

The MacArthur Fellows Program was guided in its infancy by William Kirby, John D. MacArthur's attorney and chairman of the board of directors until his death, and Roderick MacArthur, John D.'s son from his first marriage. Having complete freedom to design the philanthropic organization, they sought to realize a singularly audacious plan to champion individual initiative. The idea found support from journalists and scientists and became the basis of the fellows program's unique purpose: to support individuals in the process of creativity—of whatever kind, and without guarantee of success—with the hope of redirecting society toward the value of individual creativity.

was fueled by "hard work, luck, and opportunism" (his own assessment), guided by frugality, if not miserliness, and goaded by a fear of sinking all his capital into "one thing." With his wife, Catherine, who was also his business partner, he had witnessed the Florida development era come full circle in more environmentally conscious times, when legislation was passed to protect the state from real estate developers like himself.

On January 6, 1978, MacArthur died of pancreatic cancer in West Palm Beach, Florida. By the end of 1997, assets at Bankers Life and Casualty, the nation's second largest health and accident insurer, amounted to $1.04 billion, according to insurance examiners.

Legacy

In 1970, MacArthur established the John D. and Catherine T. MacArthur Foundation, with his Bankers Life fortune as its cornerstone. Having balked at the idea for years, he placed no restrictions on the use of his fortune, maintaining that as making money was his strong suit, he hoped the foundation's trustees would spend his money to "do more good for the country than [he] would." The foundation is one of the largest philanthropic organizations in the United States. Its first grant in 1979 went to Amnesty International, and it has continued to support human rights, affordable housing, community organizations, environmental causes, reproductive health, population control, public radio, and independent documentary film production. The foundation, famous for the grants it awards annually in the interest of human rights and individual efforts, is the culmination of the fortune of an enigmatic billionaire, who stubbornly refused to accept defeat during the Depression.

—*Mary Hurd*

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See also: Sheldon Adelson; Donald Bren; Henry M. Flagler; Leona Helmsley; Cornelius Vander Starr; Donald Trump.

Cyrus Hall McCormick

American inventor and industrialist

McCormick's wealth was acquired primarily by his invention of the mechanical reaper, which reduced the labor-intensive demands of farm harvesting and dominated the market for such machinery for generations. The invention not only led to his own fortune but also produced much wealth for American farmers and farm commodity processors.

Born: February 15, 1809; Rockbridge County, Virginia
Died: May 13, 1884; Chicago, Illinois
Sources of wealth: Patents; manufacturing; sale of products; real estate
Bequeathal of wealth: Spouse; children; charity.

Early Life

Cyrus Hall McCormick (SI-ruhs hawl mak-KOR-mihk) grew up on his father's twelve-hundred-acre agricultural estate, Walnut Grove, in Virginia. His father, Robert McCormick, was interested in inventions and innovations, and as he became a prosperous farmer, he spent an increasing amount of time working on various projects in the workshops on his farm. In the 1820's, he built a prototype mechanical reaper, but it bore little resemblance to the one later invented and marketed by his son Cyrus.

First Ventures

Cyrus had little formal education, but in his early twenties he began to exhibit the creativity and resourcefulness that would lead to his success. He invented and patented a hillside plow in 1831. That same year, McCormick also built the first version of his mechanical reaper for harvesting grain. For several years, he continued perfecting the reaper while simultaneously pursuing other business interests. When inventor Obed Hussey began marketing a reaper in 1833, McCormick became more serious about bringing his machine into production. He received a patent for his reaper in 1837, and he offered the first machines for sale in December, 1839. By the mid-1840's, McCormick was licensing others to produce the reaper in several different plants around the United States. Eventually, McCormick became dissatisfied with these licensing agreements, and he concentrated the manufacture of his products in his own large factory, built in Chicago, Illinois, in 1847.

Mature Wealth

McCormick's wealth was based not only on his invention of the mechanical reaper but also on his understanding of the manufacturing and marketing aspects of the business. He faced fierce competition in manufacturing his mechanical reapers, but McCormick seemed to relish the struggles with his rivals, and he fought them ruthlessly. He bought reaper patents from competitors and purchased patents for related products, and he was engaged in endless litigation fighting patent infringement suits. He continually updated and improved his product. By the 1870's, his reapers were being marketed worldwide and his firm was one of the largest and most powerful in the industry. McCormick invested much of his personal profits in Chicago real estate and various other business ventures. At one point, he was the largest landholder in Chicago.

At his death in 1884, McCormick's estate was estimated to be between $10 and $20 million. He left the bulk of it to his wife and his children, although he had made numerous gifts to various charities throughout his life. McCormick gave approximately $500,000 during his lifetime to various Presbyterian schools. In 1859, he

Cyrus Hall McCormick. (Library of Congress)

trade in New Orleans was complicated because several countries, primarily Spain and France, owned portions of the city. McDonogh learned French and Spanish to help him conduct trade. He also traveled to Liverpool, England, where Taylor's brother, John Taylor, operated a trading house.

In the early nineteenth century, commercial ships traveling on the Atlantic Ocean and West Indies routes risked seizure by privateers. Taylor wrote McDonogh on January 14, 1801, that his ship *Montezuma* had been seized. Taylor directed McDonogh to sail another ship he owned, the *Dolphin*, to New Orleans and then return to England with a cargo of cotton, molasses, and wood. McDonogh completed this assignment by the summer of 1801. McDonogh continued transporting British goods to New Orleans to sell on consignment to merchants, and he received a percentage of profits with another Taylor apprentice, W. O. Payne. In August, 1801, the two apprentices established a partnership, McDonogh and Payne. Taylor authorized the pair to sell his goods directly to buyers or to arrange for them to be auctioned. On August 27, 1802, McDonogh bought Payne's share of the business for $10,000 when their partnership ended.

Mature Wealth

Later in 1802, McDonogh formed John McDonogh Jr. and Company with Shepherd Brown in order to provide European goods to American customers. That same year, McDonogh and Brown also established Shepherd Brown and Company to sell items transported on the Mississippi River to New Orleans from Pennsylvania, Ohio, Kentucky, and other places. The men traded such American goods as wheat, flour, bacon, lard, whiskey, and deerskins in exchange for manufactured European products. The pair benefited from expanded trade opportunities when more ships arrived at local ports after the 1803 Louisiana Purchase transferred this French territory to the United States. McDonogh wrote his father, stating that he was constructing warehouses to store his cargoes.

McDonogh compiled a list of rules in 1804 describing how he conducted his life, emphasizing a work ethic, morality, and spirituality. During 1804, McDonogh and Brown dissolved their companies. McDonogh decided to pursue business ventures for himself instead of working exclusively to sell Taylor's cargoes. He sought contacts with traders and commission houses in New England, Europe, and the Caribbean that were different from the ones he had dealt with while representing Taylor, resulting in increased trade and earnings. Taylor insisted McDonogh represent only his goods, but McDonogh refused.

While living in New Orleans, McDonogh retained ties with his family in Baltimore and supported his siblings' education. His father sent two of McDonogh's brothers south, where McDonogh taught them about his business.

When Taylor experienced extreme financial losses, McDonogh provided some funds to his former employer. Aware of his friends' business failures, McDonogh recognized that land retained its value and that possessing real estate was a more lucrative and reliable way to earn money than engaging in commerce. A letter from his father, written in the spring of 1803, had initially influenced McDonogh to invest in real estate, and he had bought land in west Florida, which extended west into Louisiana at that time. McDonogh continued to conduct some trading activities but concentrated on his land investments, increasing his holdings as he became aware of plantations and properties he wanted to acquire in New Orleans and the countryside. In addition to owning much of the land around New Orleans, McDonogh secured property adjacent to fifty miles of the Mississippi River. His properties generated ample income that enabled McDonogh to limit his mercantile activities by 1806 in order to manage his landholdings and conduct his duties as a director of the Louisiana Bank. He also financed the educations of his deceased friends' orphaned children.

During the War of 1812, McDonogh served in Beale's Rifles, defending New Orleans from a British attack that ended in early 1815. That same year he developed a plantation on the western side of the Mississippi River, creating a community that became known as McDonoghville (now part of the Algiers neighborhood in New Orleans and the city of Gretna). In June, 1817, McDonogh began residing on his McDonoghville plantation. Many of the properties McDonogh had acquired included slaves, and his slaves planted his plantation's fields with sugarcane and cotton, cultivated vegetables, and made bricks. Concerned for his slaves' morality and literacy, McDonogh constructed a church for them and provided Bibles. An American Colonization Society (ACS) member, he developed an emancipation plan in which his slaves could work on Saturdays in order to earn their freedom during a fifteen-year period. He arranged for two slaves to receive medical and theological educations at Lafayette College in Pennsylvania. In June, 1842, approximately eighty of McDonogh's former slaves sailed to Liberia, Africa, in an ACS ship. The next month, McDonogh published a letter in the *New Orleans Commercial Bulletin* describing how his slaves had obtained freedom.

The McDonogh Farm School

The McDonogh Farm School has educated children since 1873. By the early twenty-first century, the school's campus consisted of approximately 835 acres at Owings Mill, Maryland.

When John McDonogh allocated money for a school near his Baltimore birthplace, he envisioned that this educational facility would provide academic and agricultural training to boys who lacked financial resources. He especially wanted to benefit the Baltimore community because of his family ties to that area. The farm school emphasized McDonogh's principles of devotion to work, religion, and morals, expecting students to embrace these standards in their lives.

Initially, the McDonogh Farm School provided a curriculum that enabled white male orphans to acquire an education and learn trades, such as woodworking. Colonel William Allan was the first principal. The pupils performed tasks, such as cultivating crops and tending livestock, on the school's farm as compensation for courses and living expenses. In addition to classroom lessons, the students participated in military exercises to reinforce discipline.

By 1922, students able to pay tuition and boarding fees were permitted to enroll; five years later, nonboarding pupils from nearby communities were also allowed to attend. Despite McDonogh's interest in educating his slaves, no African American students were admitted to the McDonogh Farm School until 1960. By 1971, students were no longer required to perform the school's traditional military exercises; four years later, the first female students were admitted. Scholarships financed many students' tuition and fees. By 2008, the school provided almost $3 million worth of scholarships, with each recipient obtaining more than $10,000.

Since its founding, the McDonogh Farm School has consistently retained its benefactor's philosophy regarding labor, conduct, altruism, and community service. In 2009, the school had a total enrollment of 1,293 students in kindergarten through the twelfth grade. The campus includes buildings for lower, middle, and high school grades, with laboratories and libraries appropriate for each age group. Students have access to a chapel; a performing arts center for music, dance, and theater instruction; and an athletic stadium, a pool, tennis courts, and equestrian facilities.

The school's administration has encouraged interaction with the McDonogh-financed schools in New Orleans. After Hurricane Katrina struck in 2005, McDonogh Farm School's students and teachers traveled from Maryland to assist the McDonogh schools in New Orleans. In 2008, the farm school established McDonogh Roots, a program that involves students in agricultural activities in order to emphasize the school's origins and teach students to respect the land. Students grow pumpkins, tomatoes, and other produce to share with their community.

Some McDonogh Farm School students have studied in international exchange programs with Spanish, Ukrainian, and French schools or have attended Seijo Gakuen High School in Tokyo, Japan; students from the Tokyo school and the Faust Gymnasium in Staufen, Germany, have attended the McDonogh school. Prominent McDonogh alumni include John R. Bolton, the former U.S. ambassador to the United Nations, and Olympic gold medalists Pam Shriver and Bruce Davidson.

McDonough died at his McDonoghville plantation on October 26, 1850. Because he had not publicized how he wished to bequeath his estate, many people misunderstood his intentions, perceiving him as a selfish miser. People became aware of McDonogh's generosity when his will outlined how his wealth, estimated to be approximately $1.5 million in 1850 (more than $40 million today), was to be distributed. Throughout his adult life, McDonogh had pursued his investments with the primary goal of providing children with educational opportunities. Revenues from McDonogh's estate benefited schools in New Orleans. Some of his fortune was also used to build a farm school near Baltimore after his relatives unsuccessfully protested the legitimacy of McDonogh's will, with litigation reaching the U.S. Supreme Court in December, 1853.

Legacy

McDonogh's philanthropy shaped education in New Orleans. His wealth enabled the city to improve existing public schools and expand access to education for children from poor families who were deprived of an education because of racial or socioeconomic factors. McDonogh's money helped New Orleans construct additional public schools to accommodate the city's growing student population in the twentieth century. Often, schools financed by McDonogh's estate were identified with his name. Several schools, including McDonogh #35 Senior High School, retained his name into the early twenty-first century, although some buildings were stripped of McDonogh's name to protest his role as a slave owner. The McDonogh schools in Louisiana and Maryland provided students with the academic skills needed to secure admission to prestigious colleges and to become professionally competitive. Monuments and annual ceremonies in Louisiana and Maryland commemorated McDonogh's continued impact on children's education, and McDonogh was featured in Harnett T. Kane's novel *Pathway to the Stars* (1950).

—*Elizabeth D. Schafer*

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See also: John Jacob Astor; Moses Brown; Paul Cuffe; John Hancock; Robert Morris; Thomas H. Perkins.

John William Mackay

American mine owner, banker, and telegraph company owner

The most prominent of the Comstock Lode silver kings, Mackay is a major figure in Western history who ran silver mines and then used his money to start the Bank of Nevada and develop a worldwide communications network.

Born: November 28, 1831; Dublin, Ireland
Died: July 20, 1902; London, England
Sources of wealth: Mining; banking; telegraph
Bequeathal of wealth: Children; friends; charity

Early Life

John William Mackay was born into poverty in Ireland as the only son of a Scots-Irish father and Irish mother. The family, which included Mackay's younger sister, immigrated to New York City in 1840. The young Mackay attended school but quit when his father died about 1842, since the family needed the money that he could earn. Mackay sold newspapers and took odd jobs. He also came to identify more with his mother's Irish Catholic heritage in the absence of his father. Prejudice against the Irish persisted throughout Mackay's lifetime and he felt its sting.

In his teens, Mackay became an apprentice to shipbuilder William H. Webb. Mackay built clipper ships, and he apparently worked as a crewman on one of these ships to earn passage to San Francisco in 1852. He headed immediately for the goldfields.

First Ventures

As a placer miner, Mackay made enough money to support himself and his mother in New York City. His sister had joined a convent by this time. Mackay reportedly found gold where others believed the supply had been exhausted. The average amount of gold discovered by placer miners in 1853 was worth $5. When times were hard, Mackay worked as a lumberjack or a mine tunnel framer. Upon hearing of a silver strike in the Comstock Lode in 1859, Mackay headed to Nevada.

Mackay aimed to make $25,000 and retire. He soon changed his mind and began pursuing ways to develop his own deep, hard-rock mine. He earned ownership in mines by doing development work. He raised money to buy interests in other mines by digging or setting timbers. By 1863, Mackay had considerable interests in four mines. Other miners respected his frankness, abilities, and steady judgment, as well as his simple habits. In his spare time, Mackay learned to read Morse code messages while bettering his reading and writing skills. In 1865, Mackay and J. M. Walker bought the Kentuck mine to add to their holdings in the Yellow Jacket and Crown Point mines. Between 1866 and 1869, the three mines would produce $3 million in silver ore. Walker would later go broke as a real estate broker. Mackay helped provide for him and later supported his widow. Meanwhile, Mackay married Louise Bryant in 1867.

Mature Wealth

From the early 1870's until his death in 1902, Mackay was among the richest men in the world. After establishing a company with William S. O'Brien, James Clair Flood, and James G. Fair in 1870, Mackay acted as the firm's general manager. It is largely to his credit that all four men became the "silver kings" of the Comstock. The Comstock Lode served as a laboratory for mining, with Mackay pioneering practices that would transform mining into big business. Since hard-rock, deep-fissure mining required great amounts of capital, the first mining stock market started in San Francisco in order to provide the funds to develop the Comstock mines. Mackay participated heavily in the stock market, but unlike competitors he did not engage in stock manipulation. Mackay had a reputation for truthfulness, as well as an eye for detail. He used his reputation and skills to outmaneuver a rival mining group, known as the Bank Ring, in order to win control over the best Comstock Lode mines.

In 1875, the *San Francisco Chronicle* estimated Mackay's wealth at between $20 and $30 million. Of the silver kings, Mackay had the largest fortune. In that same year, Mackay and his partners decided to go into the banking business to topple the Bank of California. They formed the Bank of Nevada. A stock market crash in August, 1875, led to a run on the Bank of California that forced it to suspend operations. Mackay had won.

He had less success against businessman Jay Gould when in 1883 Mackay challenged Gould's telegraph monopoly. Mackay told essayist John Russell Young that he believed that his wealth was merely a trust and he owed it to the United States to use the money in some special service. Maintaining that power in the hands of the very few threatened the well-being of the country, Mackay decided to break up Gould's transatlantic telegraph business. Mackay and newspaper publisher James Gordon Bennett, Jr., founded the rival Commercial Cable Company.

Gould used every trick in his arsenal, including influencing a corrupt judge, to defeat Mackay and eventually succeeded to a degree. Mackay eventually dropped his focus on the telegraph business to concentrate on laying the first cable across the Pacific Ocean.

Mackay showed both generosity with his money and a reticence to be recognized for his kindnesses. While in San Francisco, he habitually carried thousands of dollars in large bills. He never explained the habit, leaving others to conjecture that he did so in case he ran across needy, old friends. When he spent on himself, he did so as a patron of the arts. He became known for his collection of paintings, on one European trip spending $150,000 for pictures in Rome and $50,000 in London. Otherwise, Mackay lived a fairly austere life.

Mackay never seemed entirely comfortable with his wealth and preferred to be treated as just one of the fellows. He also never forgot that he came from poverty. Mackay would routinely treat boys gathered outside a Virginia City, Nevada, opera house to tickets, and there are stories of Mackay buying boots for barefoot boys on the Comstock. A notoriously soft touch, he tended to give money to anyone with a hard luck story. He also apparently could not decline his wife's requests. Louise Mackay did not like the provincialism of San Francisco. She moved to New York City with the ambitions of joining the social elite and, apparently incidentally, obtaining a better education for their sons, John, Jr., and Clarence. Mackay remained in San Francisco. Foiled in her social climbing efforts, Louise headed to Paris with their sons. Housed in a mansion bought with Mackay money, Louise soon acquired a reputation for lavish entertaining. She became part of the fashionable Paris crowd. Mackay, who never hesitated to show his contempt for European gentry, visited often. In 1895, John, Jr., died in a horse riding accident in France. His death devastated his parents, with Mackay acquiring a habitual mournful expression that would last the remainder of his days.

By 1900, Mackay was giving about $250,000 to charities each year. Toward the end of his life, he asked the city recorder of San Francisco for a list of the most worthy charitable institutions in the city so that he might create a philanthropic organization to distribute his wealth. Mackay died before implementing his plan. While in London on business in 1902, Mackay became ill during lunch. His heart condition had worsened. A friend took him home. A few days later, Louise Mackay summoned a priest to perform last rites. Mackay died on July 20.

Upon his death, the obituaries and tributes to Mackay emphasized his wealth, his achievements in mining, his support of telegraph and cable use, and his philanthropy. Clarence Mackay took over his father's business.

Legacy

Mackay rose from being a penniless Irish immigrant to becoming one of the richest men in the world in the late nineteenth century. He has been described as the outstanding character of the Comstock Lode era. Unlike many of his wealthy contemporaries, such as John D. Rockefeller, Mackay did not suffer public antipathy. Amid rampant corruption, he was seen as an everyman who made good and who was willing to lend a financial helping hand to others. Few people in the nineteenth century viewed the extraction of mineral wealth as destructive to the environment; accordingly, Mackay had earned "clean" money. He harmed no one in his rise. To the contrary, Mackay challenged the consolidation of power in the Gilded Age by confronting the Bank Ring in the Comstock Lode and by challenging Jay Gould's transatlantic telegraph cartel. At the time of his death, few could be found to utter a bad word about the man.

—*Caryn E. Neumann*

The Mackay School of Mines

The Mackay School of Mines, part of the University of Nevada at Reno, began with a 1906 gift from John William Mackay's widow, Louise, and their surviving son, Clarence. Mining had become critical to the economy of Nevada, and the Mackays hoped to foster the development of scientific mining. The original building was designed by Stanford White, one of the leading architects of the day. Besides classrooms and offices, the structure housed a mining museum with a design based on the Peabody Museum of Natural History at Yale University.

As mining continued to play a significant role in the development of Nevada, the Mackay School soon outgrew its building. In 1926, the Mackay family donated funds for the expansion of the school's laboratories. In addition to the museum, the school now housed a library, the Nevada Mining Analytical Laboratory, the Nevada Bureau of Mines and Geology, and a host of academic departments related to the sciences. By the 1990's, the mining industry had lost most of its luster and the school suffered from low enrollment. As part of a reorganization, the Mackay School of Mines became the Mackay School of Earth Sciences and Engineering in 2004. It continued to be a mining school but several of its buildings housed a range of academic departments and government bureaus, including the Nevada State Climate Office and the Nevada Seismological Laboratory. The original building remained on the campus.

A larger-than-life statue of Mackay by Gutzon Borglum, the sculptor of Mount Rushmore, stands in front of the school. It is also a gift from the Mackay family. The state declared a holiday for the statue's dedication on June 10, 1908. The piece is a heroic portrayal of Mackay, showing him in miner's clothes and gazing into the distance. One hand is atop a pick, while the other clutches a piece of ore.

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See also: James Gordon Bennett, Jr.; William Andrews Clark; Marcus Daly; James G. Fair; Cyrus West Field; James Clair Flood; Jay Gould; Meyer Guggenheim; George Hearst; F. Augustus Heinze; Samuel F. B. Morse; William S. O'Brien.

EVALYN WALSH MCLEAN

American socialite

McLean embodied the profligate lifestyle of the incredibly wealthy in America in the early twentieth century. She used the money acquired through inheritance and marriage to become the premier socialite in Washington, D.C.

Born: August 1, 1886; Leadville, Colorado
Died: April 26, 1947; Washington, D.C
Also known as: Evalyn Walsh (birth name)
Sources of wealth: Inheritance; marriage
Bequeathal of wealth: Dissipated

EARLY LIFE

Evalyn Walsh McLean was born Evalyn Walsh in a remote central Colorado mining town, the only daughter of Thomas Walsh, a first-generation Irish immigrant who initially settled in Massachusetts. Trained as a carpenter but gifted with business savvy and enormous self-confidence, Walsh headed west in the mid-1870's to learn the mining business. Initially, he provided equipment for mining enterprises, first in the Dakotas and then in Colorado. He developed a barter system in which he would accept deeds for land in exchange for supplies. For more than a decade, he accumulated titles to numerous productive mines. By the time of Evalyn's birth, the Walshes were comfortably settled in Colorado's middle class.

FIRST VENTURES

Restless over what he perceived to be sloppy prospecting techniques, Walsh was certain that there was more gold to be found, although most people believed the Colorado gold rush was over as attention was being redirected to the burgeoning silver boom. Walsh went out to the mining fields, and in 1896 he laid claim to the Camp Bird Gold Mine, the largest gold reserve ever tapped in Colorado, producing as much as $50,000 a week. His claim established Walsh as the richest miner west of the Mississippi and his family as one of the richest in America.

Within two years, Walsh, now a captain of the mining industry but hungering to exert political influence, moved his family to Washington, D.C. Evalyn was twelve. A headstrong tomboy, she was now to be the embodiment of the wealthy debutante. She studied French, art, and music. She was sent to study in Paris, where she developed a taste for expensive and often gaudy jewelry. Back home, Walsh's ambitions were calculated and successful. The Walsh mansion on Massachusetts Avenue, at the time the most expensive private home in America, became a showplace for gatherings of some of the most influential and powerful families during President William McKinley's administration. The Walsh family's name became synonymous with unrestricted spending, and they used their money for furnishings, parties, expensive clothes, foreign automobiles, artwork, and extended tours of Europe. After

Evalyn Walsh McLean wears the Hope Diamond around her neck. (Hulton Archive/Getty Images)

The Hope Diamond

When it comes to the Hope Diamond, it is difficult to separate fact from fiction, particularly because a succession of people who owned the fabulous gem often contributed deliberately exaggerated accounts of its origins and supposed curse. The first reliable record of a massive, 112-carat, triangular blue-violet diamond extracted from the Kollur mines in southern India came from an unsavory itinerant French merchant, Jean-Baptiste Tavernier, who reputedly stole the stone to sell it to the court of Louis XIV in 1668. Until the diamond was lost during a week of looting in September, 1792, following the overthrow of the French monarchy, the recut diamond had served as the showpiece of the French crown jewels, known across Europe not only for its size but also for its stunning cobalt shine.

At this point the diamond's history becomes shadowy until some twenty years later, when a London diamond merchant recorded his coming into possession of a 45.52-carat blue diamond. The gem subsequently was purchased by England's King George IV, and when he died the diamond was sold in order to settle the king's massive debts. Some thirty years later, the diamond was recorded among the items in the renowned jewel collection of Henry Philip Hope, a member of a prominent Anglo-Dutch banking family, although how Hope acquired the gem is a mystery. The stone stayed in the Hope family until 1901, when it was sold against accumulated family debts. It passed between a number of legitimate owners, including the sultan of Turkey, until it was finally acquired by New York jeweler Pierre Cartier. Cartier sold the diamond to Washington, D.C., socialite Evalyn Walsh McLean in 1911, after he reset the fabulous gem as a pendant surrounded by sixteen white diamonds on a chain of forty-five diamonds.

The jewel played into Evalyn's reputation for flamboyance. She wore the gaudy diamond casually around the house, often losing track of it. She allowed drunken party guests to wear it during her extravagant dinners, even attaching it to her dog's collar. Evalyn enjoyed recounting lurid stories of how the diamond was cursed, tales which traced back to its original theft from India. During the heyday of her wealth, Evalyn owned not only the Hope Diamond but also the stunning pear-shaped thirty-four-carat Star of the East. Evalyn's family endured a succession of calamities in the twenty years after she purchased the gem, including the death of her nine-year-old son in a traffic accident, her husband's spiral into alcoholism and his eventual abandonment of their marriage, the dissipation of most of her fortune, and, most heartbreaking for Evalyn, the suicide of her only daughter. However, Evalyn never conceded that these events were part of the diamond's curse.

Upon her death in 1947, her estate was deeply in debt, and the Hope Diamond and the rest of her jewel collection were sold to the Harry Winston Company. The stone was shown only privately and at special exhibits until 1958, when the Hope Diamond was donated to the Smithsonian Institution National Museum of Natural History, where in the twenty-first century it remained the dominant attraction in the museum's Hall of Gems.

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the death of Walsh's sixteen-year-old son in 1905, his beautiful daughter, who was not yet twenty, became the richest heiress in the nation's capital.

Mature Wealth

In 1908, Evalyn eloped with Edward "Ned" Beale McLean, the heir to a newspaper empire that included *The Washington Post* and the *Cincinnati Enquirer*, then the most influential newspaper in the West. McLean had a hard-earned reputation as a wealthy Washington ne'er-do-well, and the depths of his alcoholic addiction were not fully evident when he married Evalyn. The couple's marriage was a major news story, and newspapers followed their extended honeymoon tour of Europe and the Middle East, where they indulged every buying whim. They quickly went through the $100,000 that each of their fathers had given them for spending money, but their families happily wired them additional funds. During a stop in Turkey, the couple met Sultan Abdülhamid II, and Evalyn received her first look at the fabulous cobalt-blue Hope Diamond, then in the sultan's extensive jewelry collection.

Once the McLeans returned to Washington, they became the capital's most celebrated power couple, hosting lavish parties that routinely cost hundreds of thousands of dollars. Unable to forget the Hope Diamond, Evalyn made discreet inquiries about purchasing the fabled stone. After the sultan's death, the gem had passed into the hands of renowned jeweler Pierre Cartier, and after master gem cutters reset the stone because Evalyn thought the setting was too Old World, the couple bought the diamond for $180,000 in 1911.

In 1916, McLean's father died and control of the newspaper empire fell to his son. The couple established themselves in the McLeans' swanky country estate on Wisconsin Avenue, then in the fashionable outer environs of Washington. The estate quickly became the capital's social center. The couple's lifestyle demanded enormous security against the possibility of kidnapping, and the couple's four children were each assigned bodyguards. Ironically, in 1918 the couple's eldest child, Vinson (whom the press had dubbed the "Hundred Million Dollar Baby"), then nine, playfully eluded his bodyguard and ran out into Wisconsin Avenue, where he was killed after being hit by a passing car.

Throughout the 1920's, the couple's parties became legendary, and they sometimes entertained thousands of people at a time. Extravagance was routine. A birthday party for Evalyn's poodle cost more than $1 million, and the dog wore the Hope Diamond on its collar during the fete. Evalyn herself was a close confidante of President Warren G. Harding's wife, Florence, and both McLeans enjoyed close relationships with the Harding White House. Although Ned was a force in Republican politics, he never sought political office. (He would eventually be implicated in numerous influence-peddling investigations that dogged the Harding administration.) Ned's life fell into a downward spiral. His stewardship of his inherited newspaper empire was a disaster, and his alcohol abuse deepened. He had numerous affairs, culminating in a move to Hollywood in 1929 to take up with a starlet. Evalyn, who had begun taking morphine after she was in a 1905 car accident that killed her brother, developed a powerful addiction to the drug. During the 1920's, she increasingly immersed herself in a profligate lifestyle, and she was forced to sell off much of her jewelry to finance her extravagance.

The stock market collapse in 1929 ended the McLeans' flamboyant lifestyle. Estimates suggest that the couple had spent nearly $200 million of their shared inheritance. Facing the reality of exhausted accounts, Evalyn tried to regain control of her life. Despite her husband's abandoning her, Evalyn would not petition for divorce, although Ned secured a kind of legal divorce through a court in Latvia, which he delivered to his wife on Christmas Day, 1932. In time, Evalyn had Ned committed to a Baltimore sanatorium in order to treat his alcohol dependency. In 1932, she lost control of her husband's newspaper empire when it went into receivership and was sold.

Depression America had lost its taste for celebrity wealth, and Evalyn slipped into obscurity. She briefly made headlines in 1932 after the kidnapping of aviator Charles A. Lindbergh's baby, when she contacted the Federal Bureau of Investigation (FBI) and sold several lucrative real estate holdings to finance the $100,000 ransom, only to find that an FBI agent's information about the kidnapper was bogus. (The agent was later convicted of larceny.) Over the next ten years, Evalyn struggled with her diminishing fortune, and her husband languished in the hospital, where he would die in 1941. In 1946, her only daughter, who had married a much older man rumored to have been Evalyn's lover, committed suicide. A year later, struggling with depression, Evalyn died from complications of pneumonia after walking her dog in the rain, although friends suggested her daughter's suicide had taken away her will to live. What was left of her estate, including the Hope Diamond, was sold to settle her considerable debts.

Legacy

In her successful 1936 autobiography, *Father Struck It Rich*, Evalyn portrayed herself as a kind of Cinderella, a poor girl from the Western plains who came to Washington a wealthy heiress but never lost her frontier sense of independence and plainspokenness. However, it is difficult to see her story as anything but a cautionary tale of a spendthrift whose lavish lifestyle was uncomplicated by any interest in responsible money management. In exhausting two family fortunes, Evalyn, by her own admission in her autobiography, simply craved the thrill of reckless spending. For two decades, she lived a life shaped only by her determination to avoid boredom. She and her husband never added to their family fortunes through work or investment, never financed public charitable causes, and never endowed any institution. Rather, they simply spent money on a staggering scale, a fortune that by today's standards would total in the billions of dollars.

—*Joseph Dewey*

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See also: Caroline Schermerhorn Astor; Barbara Hutton; Cornelia Martin; Marjorie Merriweather Post; Consuelo Vanderbilt.

GAIUS MAECENAS

Roman aristocrat, diplomat, and literary patron

A nobleman of ancient Rome, Maecenas acquired great wealth, partly because of his close friendship with Octavian, the future Emperor Augustus.

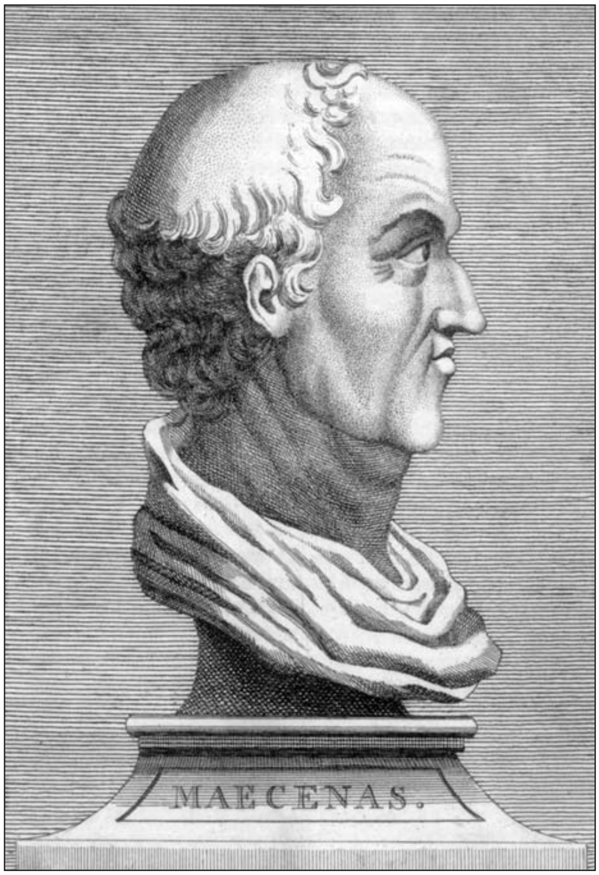
Born: c. 70 B.C.E.; Arretium (now Arezzo, Italy)
Died: 8 B.C.E.; Rome (now in Italy)
Also known as: Gaius Cilnius Maecenas; Cilnius Maecenas
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Friends

EARLY LIFE

Gaius Cilnius Maecenas (GI-uhs KIHL-nee-uhs meh-SEE-nuhs), whose family traced their origins back to the Etruscan king Lars Porsenna, lived during the first century B.C.E. Maecenas belonged to the wealthy Roman class called *equites* (knights), which allowed him to engage in commercial activity. Membership among the *equites* was based primarily on wealth, and these men ordinarily had to have at least 400,000 sesterces to qualify; in contrast, the senatorial class were required to have twice that amount of wealth. At this time, the typical Roman laborer earned about 1,000 sesterces a year; thus, to become an *eques*, one's holdings had to be worth at least four hundred times that of the laborer's annual income.

FIRST VENTURES

It is not known how Maecenas came to be wealthy enough to become an *eques*. Perhaps, like many Roman noblemen, he had inherited his wealth from his father's agricultural holdings. While historians can only speculate about Maecenas's early fortune, his later riches surely reached astonishing heights because of his connection to Octavian, the future Emperor Augustus. After the assassination of Julius Caesar in 44 B.C.E., his heir Octavian murdered dozens of his politically powerful enemies and confiscated their wealth. As one of Octavian's closest friends, Maecenas undoubtedly benefited financially from these actions.



Gaius Maecenas. (The Granger Collection, New York)

The first significant appearance of Maecenas comes in 42 B.C.E., when he joined forces with Octavian at the Battle of Philippi. After this, Maecenas gained increasing influence over Octavian. Historians Tacitus and Dio Cassius both report that during the civil wars, from about 36 to 29 B.C.E., Octavian put Maecenas in charge of Rome and Italy. Octavian placed such trust in Maecenas that by the time Octavian had defeated Marc Antony and Cleopatra VII at the Battle of Actium in 31 B.C.E., Octavian had granted Maecenas the privilege of reading and editing Octavian's most important correspondence before it was delivered to the recipients.

Mature Wealth

Having added to his fortune during Octavian's rise to power, Maecenas spent much of the last fifteen years of his life in relative quiet in a palatial garden residence on Rome's Esquiline Hill. A portion of one of the buildings from Maecenas's house remained standing in the twenty-first century. Known as the Auditorium of Maecenas, one end of this vast dining hall features a small semicircular theater where Maecenas and his guests could have witnessed various types of entertainment. Maecenas, who himself dabbled in poetry, served as a patron for about ten other poets, the most famous of whom are Horace, Sextus Propertius, and Vergil, whose *Georgics* (37-29 B.C.E.; English translation, 1589) mention Maecenas by name in their opening lines. Upon Maecenas's death in 8 B.C.E., he bequeathed all of his property to Emperor Augustus. In 2 C.E., the future Emperor Tiberius moved to Maecenas's gardens, and six decades later Emperor Nero connected his palace to these gardens. Nero is said to have watched the infamous fire of 64 C.E. from the Tower of Maecenas.

Legacy

The fact that a person of such prominence as Maecenas was able to survive one of the most tumultuous periods in Roman history with both his life and his wealth intact is quite remarkable. Maecenas emerged relatively unscathed from the fifteen years of uncertainty that followed Julius Caesar's assassination; moreover, Maecenas was able to move in relative quiet into private life during the last fifteen years of his life. His property provided residence for two subsequent emperors, and, most important, his wealth supported the literary efforts of three of Rome's finest poets.

—*John E. Thorburn*

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See also: Claudius Aesopus; Angela Burdett-Coutts; Marcus Licinius Crassus; Roscius.

Marduk-nāsir-apli

Babylonian banker, merchant, and landlord

Marduk-nāsir-apli was the heir to the business of the Egibi family, one of the great commercial dynasties in ancient history. Trading commodities, renting farms, and lending money, the Egibis were vital in the rapid economic growth of the Achaemenid Empire in Persia.

Born: c. 521 B.C.E.; Babylon, Persian Empire (now near Baghdad, Iraq)
Died: c. 487 B.C.E.; Babylon, Persian Empire
Also known as: Marduk-nāsir-apli Egibi; Sirku
Sources of wealth: Inheritance; moneylending; trade; real estate; slave trade
Bequeathal of wealth: Children

Early Life

The economic activities of five generations of the Egibi family are recorded on Babylonian tablets from 606 to 482 B.C.E., when they abruptly vanish from the historical record. Unusual for their period of history, the Egibis did not become rich from owning land or imperial administration. Instead, they derived their fortune from business, one of the first wealthy families in recorded history to do so. The Egibis ran a sophisticated business empire. They purchased staples in bulk from local markets, such as wheat, barley, beer, onions, dates, salt, cooking wares, and wool. Making use of Babylon's abundant rivers, they shipped this produce to the bustling markets of the capital cities, where the goods were sold to imperial and religious leaders for distribution to the growing population of the Mesopotamian region.

Marduk-nāsir-apli (mahr-DOOK nah-SEHR ahp-LEE) Egibi, also known as Sirku, was born in Babylon around 521 B.C.E. His father was Itti-Marduk-balatu, and his mother was Nuptaya Nur-sin. Marduk-nāsir-apli married Amat-Bau and received from her father Kalba a dowry of Babylonian currency consisting of 35 minas of silver, 2 minas of gold, a field, and two slaves. The Egibis were of Sumero-Babylonian origin; the suggestion of some earlier historians that the family had roots in the Jewish Diaspora has been shown to be incorrect. The Persian conquest of Babylon in 539 B.C.E. did not impede the Egibis' business activities; instead it spurred them to their greatest extent.

First Ventures

When Itti-Marduk-balatu died suddenly in 522 B.C.E., his son Marduk-nāsir-apli took over the Egibi business interests. With the rapid growth of the Achaemenid Persian Empire, several families rose to prominence in Persian banking and commerce, including the Murasus, a rival to the Egibis in extent and activity. Other prominent commercial dynasties included the Iddin-Nabu, Ea-iluta-bani, and Naggaru families. However, by consolidating and extending the Egibi line of businesses, Marduk-nāsir-apli was able to achieve the greatest penetration of Persian markets. With the profits from their trade in commodities, the Egibis purchased vast tracts of farmland, which they rented out to sharecroppers.

The Egibis were shrewd in all of their business dealings. For example, they encouraged their tenants to plant date palms, a very profitable fruit. Because of the long growing period of these palms, the Egibis would require little rent in the first years of tenancy. When the date trees matured, the family would reap the rewards of their patience, collecting a large share of the profits. The Egibis also established workshops and factories to manufacture products, and they purchased and sold slaves throughout the Persian Empire.

With these immense revenues, the Egibis became the leading bankers in Babylon and Persia, lending great stores of silver, usually at the rate of 20 percent per annum. The Egibis were not deposit bankers but lent money as partners in commercial projects, a business procedure that is similar to the modern practice of investment houses.

Mature Wealth

After their father died in 522 B.C.E., Marduk-nāsir-apli and his two brothers, Nergal-usezib and Nabu-ahhe-bullitt, argued about their inheritance. Their disagreement was not resolved until 508 B.C.E. Although Marduk-nāsir-apli was the head of the business house, the patrimony was divided among the three sons of Itti-Marduk-balatu, according to Babylonian custom. The Egibi family was inventoried as owning seventeen houses in Babylon, Hursagkalamma, and Borsippa; multiple fields; livestock; outstanding loans owed them; servants; and more than one hundred slaves.

The dates of Marduk-nāsir-apli's life roughly correspond to those of King Darius the Great, who brought the Achaemenid Persian Empire to its height. Darius constructed bridges, canals, and roads, including the famous royal road of Persia, to enable the flow of goods and merchants through his kingdom. He provided for a strengthened army and navy and organized more efficient forms of taxation. The Persians were able to take advantage of the economic expertise of families of conquered cities, like the Egibis. Marduk-nāsir-apli and his family also profited greatly from the accelerated economic growth of the empire. Marduk-nāsir-apli traveled to other leading cities of the Persian Empire to enlarge his businesses, staying in houses he owned in each city and conferring with his managers and imperial officials.

About two thousand Babylonian clay tablets, written in the Akkadian language and etched in cuneiform writing, have been preserved, documenting the Ebigi family's business activities. Approximately 430 of the tablets relate to Marduk-nāsir-apli and his numerous economic enterprises. They tablets show, as historian Kathleen Abraham writes in her study of the Egibi family, that they had "a finger in every pie." Marduk-nāsir-apli dealt extensively with public administrators of the Persian Empire. He became a financial intermediary for the Persian court, collecting taxes from his transactions and sending them to the government. According to this practice, known as tax farming, Marduk-nāsir-apli would collect taxes due from farmers and pay a lump sum to the government in exchange. The taxes were usually paid in the form of produce, which presented problems of transportation and delivery. The Egibis evolved a complicated but profitable form of tax farming, collecting revenues from farms along a river in order to benefit from easy transportation along the canals. They also arranged innovative forms of mortgages, in which they rented out houses to their creditors.

In all of his dealings, Marduk-nāsir-apli was solicitous of the royal administrators, receiving protection and lucrative contracts in return. He obtained fees for organizing pools of laborers to perform grand construction projects. His loans were registered in imperial courts. For example, a clay tablet records a loan of 45 minas of silver that Marduk-nāsir-apli extended before a Persian judge named Ummadatu. Marduk-nāsir-apli also supplied the military with goods. He collected rents and tithes from the temples of Marduk at Egasil, as well as the temples of Nergal, Ehursag, and Eigikalamma. He built and maintained state canals, bridges, and waterways, collecting tolls and revenues. Marduk-nāsir-apli was also dominant in the private sector, becoming the largest merchant in commodities, such as beer, crops, and flour. He supplied slaves throughout the empire, as well as "companions," probably prostitutes, to beer taverns. The Egibis expanded into international trade, and Marduk-nāsir-apli traveled to Medina to conduct business.

Wealth and the Invention of Writing

Historians believe that writing began as a means to record business transactions and the accumulation of wealth. The first genuine system of writing in world history is generally credited to be the Mesopotamian system of cuneiform that emerged in ancient Sumeria around 3500 B.C.E. With the rapid growth of Mesopotamian society, a system was needed to record increasingly complex economic activity. The Sumerians recorded business exchanges of wheat, barley, dates, beer, and other goods on clay tablets, into which they etched wedged-shaped signs with a reed stylus. These wedge-shapes, which were the first symbolic written forms, are called cuneiform writing from the Latin term for wedge.

Because of the complexity of memorizing the thousands of signs used for cuneiform, a class of scribes was intensively trained in schools and then employed by imperial administrators, priests, and merchants to make records and communicate messages. Although the first scribes were employed to record commodities and manufactured goods, they were soon accounting for the operations of the great Babylonian temples, the recruitment of corvée (conscripted laborers), and the levying of taxes. Eventually, cuneiform was used to record the sacred texts of Zoroastrianism and the literary classics of the Fertile Crescent. It is now believed that the idea of using written signs to record language spread from Mesopotamia to Egypt, which developed the use of hieroglyphics, and perhaps even to China, which devised its own pictographic script.

The preserved clay tablets that document the business transactions of the Egibi family of Babylonia represent one of the great treasure troves of cuneiform writing. The tablets were recovered by the British archaeologist George Smith in his travels to Iraq in the 1870's. Cuneiform had been fully deciphered by European scholars by the middle of the nineteenth century, and the Egibi tablets were translated within a few years of their transportation to England. The bulk of the tablets represent contracts between the Egibis and other merchants and records of loans of silver made by the Egibi family. The range of business activities and the wealth in land, houses, and silver accumulated by the Egibis, as revealed by the tablets, are truly astonishing. The tablets cover the activities of five generations of Egibis. Babylonian writing, recorded on clay tablets, is extremely durable. The Egibi tablets, now numbering more than two thousand, are housed in the British Museum in London.

When Marduk-nāsir-apli was about sixty-five years old, he ceded control of the Egibi business to his son Nidinti-Bel. He also willed instructions for a substantial marriage dowry for his daughter Eristu. Under Nidinti-Bel, the Egibi business empire and wealth began to decline.

Legacy

The Egibis are perhaps the first great house of advanced commercial wealth in recorded history. They are remarkable for the range, extent, and sophistication of their businesses. Their business methods are surprisingly similar to modern finance. Marduk-nāsir-apli oversaw the Egibi business at its height, and his leadership coincided with the expansion of the Achaemenid Persian Empire. The Persian court relied on the sophistication of business families for their extended empire, and the Egibis rose to the fore. Their intricate business methods helped the empire expand its construction of roads and canals, feed its burgeoning population, and supply its armies. Although an integral part of Babylonian temple economics, the Egibis appear to have been relentless in their pursuit of riches. Certainly their widespread slave trading, management of prostitutes, extension of credit on stringent terms, and sharecropping systems of tenancy speak to a consuming desire for profit.

—*Howard Bromberg*

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See also: ʿAbbās the Great; Aga Khan I; Yaḥyā ibn Khālid al-Barmakī; Croesus; Hārūn al-Rashīd; Hipponicus II.

First Duke of Marlborough

British aristocrat, military leader, and politician/statesman

Marlborough became wealthy from the largesse of individuals, government and military positions, rewards for military victory, contracts for military expenditures, and investments in land, stocks, and bonds. He was granted Blenheim Palace by the English government as a reward for his military victory at Blenheim in Bavaria.

Born: May 26, 1650; Ashe, Devonshire, England
Died: June 16, 1722; Windsor Lodge, Windsor, England
Also known as: John Churchill (birth name)
Sources of wealth: Government; investments
Bequeathal of wealth: Spouse; children

Early Life

John Churchill, first duke of Marlborough (MAHRL-bor-oh), was the son of Winston Churchill and Elizabeth Drake Churchill. He was born in western England and attended school in Dublin, Ireland, and at St. Paul's in London. Apparently his education was rudimentary, as his spelling as an adult was very original. In 1666, he became a page to James, duke of York, who was the brother of King Charles II and the future King James II. Thus began Marlborough's career as a courtier who eventually moved in the highest circles of power in England. This rapid rise in his career was helped by the fact that his older sister Arabella was James's mistress and bore him several children.

First Ventures

Marlborough served in an English regiment in Tangiers from 1668 until 1671. His first major source of income was a gift of £4,500 from Barbara Palmer, first duchess of Cleveland, one of Charles II's mistresses. After receiving this gift, Marlborough promptly purchased an annuity for a steady income, giving early evidence of the shrewd business sense that helped him amass his fortune. Additional income would come from his positions as gentleman of the bedchamber and master of the robes and his military service on the Continent during the Third Anglo-Dutch War (1672-1674).

In 1678, Marlborough married the beautiful, headstrong Sarah Jennings (1660-1744) in a match initially opposed by both of their families. Sarah served Mary of Modena, duchess of York, and formed a long-lived relationship with Anne, the duke of York's younger daughter from his first marriage. John and Sarah were a remarkable partnership, a "power couple," and both of them would take advantage of their connections and positions to advance their wealth, especially after Princess Anne became queen, ruling from 1702 through 1714. John's accumulation of wealth cannot be understood apart from Sarah's support and efforts.

Marlborough eventually became a brigadier general, and he undertook a diplomatic mission to William of Orange, leader of the Netherlands, and later accompanied the duke of York to Scotland during the Exclusion Crisis (1679-1681). Marlborough was elevated to the baronetcy in December, 1682, and received an additional income of £800 per year. Both John and Sarah were quite wealthy because of the income from their positions, annuities, and investments.

Mature Wealth

Marlborough was one of the most influential men in England during the period from 1685 through 1714, spanning the reigns of James II (r. 1685-1688), William III (r. 1689-1702) and Mary II (r. 1689-1694), and Queen Anne (r. 1702-1714), and he was at the center of momentous developments. He helped suppress Monmouth's Rebellion (1685), and his defection, with his troops, from James II during the Glorious Revolution (1688-1689) was a key element in James II's flight into exile. Sarah convinced Princess Anne to join her sister Mary and Mary's husband William of Orange in their opposition to James II. As a reward, Sarah received a pension of £1,000 per year from Anne in 1690, and John was made the earl of Marlborough and commanded a regiment in Europe during the Wars of the League of Augsburg (1689-1697).

Marlborough's influence lessened when William III became concerned about his loyalty, and Marlborough was briefly imprisoned on suspicion of treason because he had been corresponding with the exiled James II. Sarah's influence with Anne increased as she became the groom of the stole, mistress of the robes, and keeper of the privy purse, and she helped herself to funds from the privy purse. In 1698, Marlborough was made governor of Anne's son, the duke of Gloucester, at a compensation of £2,000 per year, but this was a short-lived post as the young duke died in 1700. Near the end of William III's reign, Marlborough returned to favor and was appointed commander of the British forces at a salary £10,000 per year at the beginning of the War of the Spanish Succession (1701-1714). In this conflict, he won several major military victories, becoming a statesman and arguably England's greatest general.

William III's death in 1702 brought Anne to the throne and additional preferments for the Marlboroughs. John became the first duke of Marlborough and a Knight of the Garter. The queen gave substantial payments toward the dowries of the couple's daughters. Marlborough worked closely with the first earl of Godolphin, who was the lord treasurer in charge of English domestic policy. Sarah managed the couple's financial interests, and John handled military and diplomatic matters on the Continent. Marlborough received additional honors as a reward for his greatest military triumph at Blenheim in southern Bavaria near the Danube River. In this battle, waged in August, 1704, Marlborough, with Prince Eugene of Savoy, routed French-Bavarian forces, relieving pressure on Vienna and the Austrian Empire and causing a grateful Holy Roman Emperor Leopold I to name Marlborough the prince of Mindelheim. In addition, the British Parliament granted Marlborough money to construct Blenheim Palace, a project fraught with difficulties and completed only after his death. In 1706, Parliament granted £5,000 per year to Marlborough's descendants through his daughters.

Marlborough continued to win significant victories in Europe at the Battles of Ramillies (1706), Oudenarde (1708), and Malplaquet (1709), which preserved the Netherlands from French conquest and eventually helped convince France to negotiate, albeit secretly, with England. Sarah, however, had lost the favor of Queen Anne. Before the complete and final breach in 1711, Sarah did manage to press the queen for additional favors, including a £5,000 pension per year for life and the properties of Windsor Lodge and Woodstock. Sarah also procured land in St. James's Park, where Marlborough House was later built.

Marlborough's push to continue the war cost him the favor of the queen, who had sought to retain his services

The first duke of Marlborough leads his troops to victory during the Battle of Blenheim. The British government granted him Blenheim Palace as a reward for his military service. (Francis R. Niglutsch)

BLENHEIM PALACE

An example of English Baroque architecture designed by noted architect Sir John Vanbrugh, Blenheim Palace is located on about twenty-one hundred acres at Woodstock, Oxfordshire, England, and in the twenty-first century remained the residence of the Churchill family. The home was the birthplace of British prime minister and statesman Winston Churchill. Blenheim Palace also housed the family archives, which were often tapped by historical researchers.

Because of the victory of John Churchill, first duke of Marlborough, at Blenheim in 1704, the English government granted him the colossal sum of £240,000 to build this palace. Construction began in 1705, and like many large-scale projects, was fraught with controversy concerning funding, cost overruns, design, and the slow pace of the work. When John Churchill and his wife Sarah fell out of favor with Queen Anne, all government funding stopped, with £130,000 having already been spent. After John was charged with misappropriation of military funds, he and his wife were disgraced and went into exile in 1712. The work on the palace was halted, and Sarah referred to Blenheim as a "pile of stones."

After the couple returned to England with King George I in 1714, John was restored to his old position, and construction of Blenheim resumed in 1716 at John's expense. However, he became incapacitated after suffering two strokes, and Sarah assumed management of the building project. Her difficult personality and her dislike of Vanbrugh (she was thought to have favored architect Christopher Wren, who did design the library) led to a confrontation with Vanbrugh, whom she accused of extravagance and dismissed. At this point, about £250,000 had been spent.

The residence was completed by the architect Nicholas Hawksmoor, for whom Vanbrugh worked. Under the aegis of Sarah, the work continued with less expensive labor, cheaper materials, and some design changes, the most significant of which was the inclusion of John's tomb, which would house his body after it originally was interred at Westminster Abbey. The tomb cost £2,200 and featured figures of John and Sarah and their two sons, but not their daughters; it is the dominant feature of the chapel.

Blenheim contained private apartments, state apartments, a state dining room, a kitchen, servants' quarters, a long library with a gallery of paintings, and statuary throughout. The gates to the residence are monumental in scale, emphasizing John's importance. On the grounds, the most imposing features are Vanbrugh's thirty-room bridge over a stream and a 130-foot-tall column of victory topped by a statue of John. In 1987, the palace was designated as a United Nations Educational, Scientific, and Cultural Organization (UNESCO) World Heritage Site.

even after she had dismissed Sarah. The queen's ministry, seeking to arrange a secret negotiated end to the war with France, saw Marlborough as an obstacle. Marlborough was accused of favoring the war in order to further enhance his considerable financial fortune, and on December 31, 1711, he was stripped of his command. In 1712, the Marlboroughs went into exile on the Continent, but not before Marlborough gave a close associate £50,000 to invest for him; Sarah later successfully sued this associate for misappropriation of funds. In 1714, the Marlboroughs returned to England with King George I (r. 1714-1727) and to partial favor, as John was restored to his position as captain general.

Marlborough suffered two debilitating strokes in 1716, which robbed him of his speech and isolated him politically and emotionally. He died on June 16, 1722, after suffering another stroke.

LEGACY

After her husband's death, Sarah underwent a period of mourning and grief before she continued to oversee the ongoing construction of Blenheim Palace. Marlborough's will provided for £10,000 per year for a period of five years to be spent on Blenheim. Sarah also had control of Marlborough's estate, which was worth about £1 million, as well as her own wealth, which she had been allowed to hold in her own name. Her shrewd business moves, assisted by advice from financial "insiders," helped her preserve and increase both her husband's estate and her own wealth. She made as much as £150,000 by selling her stock in the South Sea Company before the so-called South Sea Bubble burst. In addition, she acquired considerable real estate holdings.

Unfortunately, she used her vast wealth to manipulate her children and grandchildren. According to sources, Sarah changed her will twenty-six times, increasing or decreasing proposed bequests in attempts to procure favor or punish slights. Although she was a difficult, covetous, grasping woman, she did give about £250,000 to charities and was the richest woman in England. The Marlboroughs' descendants continued to occupy Blenheim Palace in the twenty-first century. Winston

Churchill, the prime minister of Great Britain, and Diana, Princess of Wales, are the two most illustrious of their descendants.

—*Mark C. Herman*

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See also: Sir John Banks; James Craggs; Stephen Fox; Thomas Guy; William Pulteney.

J. Willard Marriott

American hotel and restaurant executive

Marriott, who began his career with a nine-stool root-beer stand, built a $3 billion empire of food and lodging enterprises. A philanthropist and Mormon, Marriott donated generously to Brigham Young University, the University of Utah, and the Church of Jesus Christ of Latter-day Saints.

Born: September 17, 1900; Marriott, Utah
Died: August 13, 1985; Wolfeboro, New Hampshire
Also known as: John Willard Marriott
Sources of wealth: Tourism; real estate
Bequeathal of wealth: Spouse; children; educational institution

Early Life

John Willard Marriott (MEHR-ee-ot), the second of eight children born to Ellen Morris Marriott and Hyrum Willard Marriott, was born in Marriott, Utah, in 1900. Both of his grandfathers had immigrated to the United States from England and were converts to the Church of Jesus Christ of Latter-day Saints (LDS), more commonly known as the Mormon Church.

Young Marriott was a good student, but he never completed high school. He worked on the family farm and served the LDS church. From 1918 through 1920, he traveled as an LDS missionary to New York and New England. Upon his return to Utah, he found his father deep in debt. Marriott determined to get an education and to help his family. Despite his lack of a high school diploma, he attended Weber College and later the University of Utah, working his way through both schools. During his last year at the University of Utah, he met Alice Sheets, who would become his wife.

First Ventures

Marriott and Hugh Colton bought one of the first A&W Root Beer franchises in Washington, D.C., opening their nine-stool stand on May 10, 1927. This proved to be a good day for opening the business because it coincided with street celebrations for the transatlantic flight of Charles A. Lindbergh. Marriott returned to Utah to marry Alice on June 9, 1927, and they moved to Washington.

The young couple bought Colton's interest in the root-beer stand when he returned to Utah to practice law. With $2,500 in savings and loans, the couple later bought another stand.

Concerned about winter sales, Marriott received permission from A&W to add food to the menu. He later renamed his operation the Hot Shoppe, and it was one of the first establishments in the Northeast to offer Mexican food and drive-in service, with Marriott being the first person to obtain special approval for off-street parking in Washington, D.C. His wife was the bookkeeper and chief cook, while Marriott waited on customers.

The couple personally counted cars at intersections to determine where to set up new establishments, and they tried such innovative techniques as hiring people to pass out coupons for their restaurants on the streets. By 1932, they had seven establishments in Washington, D.C., and were expanding into Baltimore and Philadelphia.

In 1934, however, Marriott received a diagnosis of Hodgkin's disease and a prognosis of six months to live. He called on his family for help. Two LDS leaders gave him a priesthood blessing, and by the end of the year, he was free of the disease.

Mature Wealth

When Marriott observed that passengers at a Washington, D.C., airport were carrying food from a local Hot Shoppe on board the planes, he began negotiations with Eddie Rickenbacker, the head of Eastern Transport Company (later Eastern Airlines), to provide meals for passengers beginning in 1937. Using the name In-Flite Catering Division of Hot Shoppes, Marriott's company began to serve Eastern, American, and Capital Airlines and became the world's largest airline catering service. With a 1939 contract, Marriott was also able to cater meals to the U.S. Treasury building. During World War II, Marriott operated lunch-wagon canteens and opened cafeterias. In 1945, he began to provide food service at the Miami International Airport.

Marriott participated in many professional, church, and community activities. In 1948, he was president of the National Restaurant Association, and from 1948 until 1958 he was president of LDS's Washington, D.C., stake, which was comparable to a diocese of the Catholic Church. Marriott later served as an Aaronic priesthood adviser and Sunday school teacher for LDS.

The yearly sales of the Hot Shoppes averaged $20 million in the early 1950's. By then, these restaurants were operating in twelve states, as well as in the District of Columbia. Hot Shoppes, Inc., later renamed the Marriott Corporation, began selling its stock publicly in 1952; the first stock offering sold out in two hours.

Marriott found time in 1950 to serve on the committee that installed the statue of LDS leader Brigham Young in the rotunda of the Capitol Building, and he also helped restore the buildings in Nauvoo, Illinois, from which the Mormons fled in 1846. As an active Mormon, he continued to contribute 10 percent of his income to the church, and he gave generously to the University of Utah and Brigham Young University. He and Alice also supported the Republican Party's causes and candidates, with Marriott chairing both inaugural committees for President Richard Nixon.


J. Willard Marriott and wife. (AP/Wide World Photos)

In 1957, Marriott and his family opened the Twin Bridges Motor Hotel, his first hotel, and his company's profits increased. In 1958, his firm launched a multimillion-dollar effort to open additional motor hotels, and Marriott hotels could eventually be found in many American cities, including Dallas, Philadelphia, and Atlanta. By the 1950's, Marriott's sons were beginning to assume more responsibilities in the family's business.

Marriott's health eventually began to decline. He had hepatitis, survived an aneurism in the brain, and suffered four heart attacks from late 1975 through early 1976. Despite his poor health, he continued to serve others. He donated $1 million to the University of Utah in order to construct a library and contributed a similar amount to Brigham Young Uni-

GREAT WEALTH AND HOTELS

John Willard Marriott began building his first hotel in 1957. His son, John Willard Marriott, Jr., conceived the idea of building the facility, and the elder Marriott initially was reluctant because he remembered the failure of hotels during the Great Depression. Despite his concerns, the 365-room Twin Bridges Motor Hotel, located near a bridge and close to the Washington National Airport (now the Ronald Reagan Washington National Airport) in Arlington, Virginia, opened for business in 1959. Its location seemed ideal. The Marriotts reasoned that roads and highways might be rerouted, but it was less likely that bridges and airports would be relocated. The Twin Bridges competed with older, downtown hotels and catered to business travelers, which is why it was logical to locate it near the airport and to offer conference facilities.

Hygiene was a priority at the new hotel. The housekeeping staff received special training in how to complete a set of sixty-six tasks for each room in only thirty minutes. Father and son made surprise visits to their hotels and checked for cleanliness, and the name Marriott eventually became synonymous with quality lodging. The Marriotts opened other hotels, and many customers were willing to pay extra to stay at their facilities. By the early 1970's, Marriott lodgings were more profitable than the Hilton and Howard Johnson hotel chains. In addition, the Marriott Corporation obtained the Fairfield Inns, enabling the company to make lower-priced facilities available to guests.

In 1972, John Willard Marriott, Jr., became chief executive officer of the Marriott Corporation and began to diversify its operations. The firm began offering time-sharing facilities in resort areas, provided medium-priced lodgings under the name Courtyard by Marriott, operated facilities for extended-stay travelers, and managed living accommodations for senior citizens. Confidence in the Marriott name grew because the public liked the company's facilities and appreciated its service. As a result, occupancy rates for Marriott lodgings were 12 percent above the industry average. The company also opened hotels in foreign countries, which further enhanced its profitability.

versity for a basketball activities center. He chaired the 1970 Independence Day celebration in Washington, D.C., and the bicentennial celebration in 1976.

Marriott suffered a heart attack at his family's summer home in New Hampshire and died on August 13, 1985. He was buried in Parklawn Memorial Park in Rockville, Maryland. President Ronald Reagan eulogized Marriott as a man who exemplified the American dream.

Marriott's biography reads like the classic rags-to-riches tale. His is the story of a poor farm boy who was admitted to the university without a high school diploma, worked his way through college, and turned a nine-stool root-beer stand into a $3 billion food and lodging corporation. By the time of his death, the Marriott Corporation maintained operations and franchises in all fifty states and in twenty-seven countries and was valued at more than $3 billion. In 1997, the company was the nation's thirteenth-larger employer, with 225,000 people on its payroll. In addition, the corporation franchised 935 restaurants; owned 667 restaurants; and operated 78 airport food service facilities, 2 vacation resorts, 3 cruise ships, 19 shops, 90 flight kitchens for 150 airlines, and 2,097 catering accounts. Attempts by labor unions to organize Marriott Corporation's employees were unsuccessful during Marriott's lifetime.

The papers of John Willard Marriott and Alice Sheets Marriott from 1924 to 1984 are housed at the J. Willard Marriott Library, which Marriott had funded at the University of Utah in Salt Lake City. The university also maintains a collection of Marriott family photographs from 1890 to 1980. The Hot Shoppes founded by Marriott and his wife remained popular in the Northeast for several decades, with the last one closing in 1999; however, by that time neither the shop nor Marriott's original airline catering operation was owned by the Marriott Corporation.

LEGACY

J. Willard Marriott gave generously of his time and wealth to others throughout his life and after his death. He served his nation by organizing events, such as the bicentennial celebration in Washington, D.C. Most important, Marriott changed the face of the American lodging industry. Cleanliness, efficiency, and service were his bywords. He treated his employees with respect and secured a place for the disabled in his corporation. Through his family, his business continues and his name remains widely known.

—Anita Price Davis

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See also: Sheldon Adelson; Henry M. Flagler; Leona Helmsley; Kirk Kerkorian; Jay A. Pritzker; Donald Trump; Steve Wynn.

CORNELIA MARTIN

British socialite, aristocrat, and landowner

Following a trend in which wealthy American women wed titled but impoverished Europeans, Martin married a British aristocrat. She received a considerable dowry and inherited fabulous jewelry and vast estates, but her wealth was dissipated through sales and gifts.

Born: April, 1877; New York, New York
Died: May 19, 1961; place unknown
Also known as: Countess of Craven; Cornelia Craven; Lady Craven; Dowager Countess Craven; Cornelia Bradley-Martin
Sources of wealth: Inheritance; marriage
Bequeathal of wealth: Charity; dissipated

EARLY LIFE

Cornelia Martin, countess of Craven, was one of three children and the only daughter of Bradley Martin, the son of a prosperous merchant from Albany, New York, and Cornelia Sherman, daughter of a New York financier and railroad man. Young Cornelia grew up in relatively modest circumstances until 1881, when her mother's father died, leaving an estate worth more than $5 million. The nouveau riche, newly named Bradley-Martins traveled abroad, purchased fabulous jewelry, and began social climbing by hosting ostentatious balls in New York.

FIRST VENTURES

Criticized for their decadent lifestyle, the Bradley-Martins spent time in Europe, especially at a Scottish hunting lodge. There fifteen-year-old Cornelia met her future husband, twenty-four-year-old Lord William, fourth earl of Craven, who was land-rich, with forty thousand acres, but cash-poor. The couple was married in 1893 in a lavish New York ceremony just after the bride's sixteenth birthday. Wedding gifts included tiaras, bracelets, necklaces, and watches dripping with diamonds, sapphires, and pearls. Cornelia, enriched by a gift of $1 million from her parents, took up residence in her husband's gigantic English mansion, Coombe Abbey. Lord William used his wife's wealth to remodel, repair, and electrify the estate. The Cravens spent liberally and were prominent in the best social circles at home and abroad.

In 1897, Cornelia Craven gave birth to William George Bradley, the future fifth earl of Craven. Her son later married and had a son before fighting in World War I, where he lost a leg. In 1920, Cornelia's mother died, and Cornelia inherited more than $2 million in cash and jewelry. The following year, her husband drowned in a yachting accident. The high costs of upkeep and staff salaries forced Cornelia to sell the heavily mortgaged Coombe Abbey in 1923. Sotheby's auctioned off more than twenty-two hundred heirloom items of furniture, silver, jewelry, tapestries, paintings, and other valuables.

MATURE WEALTH

Cornelia moved to Hamstead Lodge, another Craven estate. She lived there the remainder of her life, raising chickens and planting elaborate gardens. The Dowager Countess Craven, as Cornelia was known after her husband's death, continued to entertain royalty, European nobility, and other prominent members of high society. She still employed a large staff of servants, chauffeurs, carpenters, watchmen, and gardeners, more than forty people in all. She was generous at Christmas, hosting a village holiday party, handing out food baskets, and giving gifts of 7 shillings and 6 pence to every child.

Cornelia outlived her spendthrift son, who died in 1932. Although she kept up appearances with an active social life, increasing financial woes caused her to sell off more property. These sales started a trend that would eventually lead to the dissolution of the Craven ancestral estate.

After Cornelia's grandson, the sixth earl of Craven, came of age in 1938, he scandalized the family by marrying the daughter of a chorus girl, and he later dealt the Craven name another blow by divorcing. Cornelia's death at age eighty-four in 1961 precipitated further distress sales that scattered the Martin-Craven fortunes.

Legacy

With little property or wealth left after Cornelia's death, the "earl of Craven" became an empty title. Later titleholders fared poorly. The sixth, seventh, and eighth earls all died young. The ninth earl, Benjamin, was born in 1989.

Remnants of Cornelia Martin's Anglo-American wealth were later placed on public display. In the twenty-first century, Coombe Abbey was a 119-room luxury hotel furnished with antiques. Other former Craven estates in several English counties were also open to visitors. Inherited masterpieces of art grace galleries, including the Getty Museum. Some of the fabulous Bradley-Martin-Craven jewelry collection, including pieces from the French crown jewels, once owned by Cornelia and her mother, is on display at the Louvre Museum.

—*Jack Ewing*

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See also: Caroline Schermerhorn Astor; Georgiana Cavendish; Evalyn Walsh McLean; Marjorie Merriweather Post; Consuelo Vanderbilt.

Francisco Matarazzo

Brazilian industrialist

An Italian immigrant to Brazil at the end of the nineteenth century, Matarazzo built one of the great industrial conglomerates of modern times, F. Matarazzo United Industries. A bold entrepreneur, he gained great wealth and an Italian title of nobility.

Born: March 9, 1854; Castellabate (now in Italy)
Died: December 10, 1937; São Paulo, Brazil
Also known as: Francesco Antonio Maria Matarazzo; Count Matarazzo; Prince of São Paulo
Sources of wealth: Trade; manufacturing
Bequeathal of wealth: Children; charity

Early Life

Francisco Antonio Maria Matarazzo, better known as Francisco Matarazzo (frahn-SEES-koh mah-tah-RAH-tsoh), was born in Castellabate in southern Italy, the eldest of nine children of Costabile Matarazzo, a lawyer. Because his family had some means, Matarazzo was able to receive a high school education, after which he began selling butcher's lard (pork fat) used for cooking. Seeking better economic opportunities, he immigrated to the New World in 1881, as did millions of Italians at the end of the nineteenth century. Two of his brothers, Giuseppe and Luigi, also immigrated to Brazil. Hoping to begin a business selling lard to Brazil's large Italian community, Matarazzo brought a supply of lard on the ship, but it did not survive the journey.

Settling in the commercial town of Sorocaba, Matarazzo worked as a plantation laborer until he had saved enough capital to open a store selling other Italian immigrants butcher's lard, as well as other necessities, such as farm implements, tires, clothing, rice, cheese, and pasta. Seeking to create a vertically integrated business, in which he would control products from raw inception through manufacturing, distribution, and sale, he started a hog farm in order to obtain lard and a flour mill to make spaghetti and macaroni.

First Ventures

In 1890, Matarazzo moved to São Paulo and started Matarazzo & Brothers with Giuseppe and Luigi. By canning rather than barreling lard, Matarazzo improved the product, which he sold door-to-door. As Brazilians switched from buying European lard to Matarazzo's domestic product, his business success was ensured. He established a new company for his growing enterprises, Matarazzo S.A. On March 15, 1900, he founded Brazil's first grain mill, innovatively using cotton sacks to bag the flour. As he became more successful, he brought more of his family from Italy to São Paulo.

Matarazzo continued to create a vertically integrated business, in which he took control of the production cycle from beginning to end. By producing his own raw materials, he eliminated the need for suppliers. By using his own factories, he lowered the cost of manufacturing. By selling his goods through his own stores and distributors, he eliminated middlemen. Matarazzo owned cotton plantations; he operated factories to thread the cotton and to extract cotton oil from the seeds; he used the cotton oil to make soap and skin care products that he sold directly to consumers. Using this same business model, Matarazzo began manufacturing foodstuffs, textiles, metals, cleaning products, and oils. He became a banker, helping to found the Banca Commerciale Italiana and the Banca Italiana of Brazil. He established the Cubatão refinery, the first oil distillery in Brazil. From 1887 to 1911, Matarazzo's capital increased to four hundred times its original size.

Mature Wealth

In 1911, Matarazzo established a conglomerate to hold all of his enterprises, Industrias Reunidas F. Matarazzo (F. Matarazzo United Industries). Although at this time coffee was Brazil's major export, Matarazzo found a niche in every other facet of the Brazilian economy. His conglomerate was involved in refining sugar and salt; weaving; distilling oil; making soap, fat, and candles; milling sulfide and carbonic acids; meatpacking; and producing matches nails, pottery, lime, film and paper. Industrias Reunidas also pursued business ventures in metallurgy, woodworking, and carpentry. Matarazzo owned a fleet of ships, a port terminal in Santos, and railroads to transport his goods. He was the acknowledged leader of Brazil's Italian community and was known as the Prince of São Paulo.

Matarazzo entrusted the leadership of his industries to his extended family, and he brought workers from his Calabrian homeland to Brazil to work in his enterprises. Matarazzo exemplified an old-fashioned, paternalistic form of capitalism. He built villages in which his workers could live. On his birthday, he distributed bonuses to his employees and extra bonuses if they married or had a baby on this lucky day. He donated to charitable causes in Brazil and Italy. He paid for a hospital in Italy that treated patients suffering from the ravages of World War I. In recognition, on June 25, 1917, King Victor

Federation of Industries of São Paulo

Francisco Matarazzo was the chief architect of an industrial association founded in 1928, the Federação das Indústrias do Estado de São Paulo (FIESP), translated as the Federation of Industries of São Paulo. The 1920's were a time of great labor turmoil in Brazil, and the nation's industrialists felt the need to band together in order to protect their interests. In his opening remarks at the meeting at which FIESP was established, Matarazzo commented that increased industrialization would benefit all of Brazilian society.

The FIESP worked to transform primitive business conditions into a more industrialized sector of the nation's economy, characterized by rationality, security, and efficiency. Management's relations with labor would be addressed in a hierarchical but benevolent fashion. The FIESP intended to woo workers away from radical ideologies by promoting social, recreational, and cultural events. The organization also played a role in trying to resolve labor strife. It is possible that the FIESP received some of its ideas from the corporatist philosophy of Portugal, the nation that had established a colony in Brazil. In the late 1920's, Portugal's dictator, António de Oliveira Salazar, was developing his ideas of a new state (*estado novo*), in which different associations would play key roles in organizing the economy. Unlike Matarazzo himself, the FIESP played a direct role in Brazilian politics.

As the Brazilian workforce is traditionally one of the more politically radical groups in the Western Hemisphere, FIESP's efforts can be assessed in either of two ways. It can be said that the organization's philosophy of management-labor relations and employee cultural programs did not succeed. On the other hand, it can be said that FIESP played a role in dissuading a workforce prone to radicalism from engaging in workplace violence or supporting revolutionary measures.

In the more than seventy years since its founding, the FIESP has been an important factor in the industrialization of Brazil. The offices of FIESP are located on the Avenida Paulista, one of the most expensive areas in South America, with lavish mansions, office skyscrapers, prestigious schools, and costly shops and restaurants. The FIESP has become a model for trade associations throughout the world. It has a membership of some 132 companies, equivalent to about 40 percent of the gross domestic product of Brazil.

Emmanuel III of Italy made Matarazzo an Italian count; on December 26, 1926, his aristocratic title was extended to his heirs. However, one of Matarazzo's sons and his heir apparent, Ermelino, died in a car accident in Turin, Italy. Matarazzo was also made a knight of several Italian orders.

Despite these honors, Matarazzo was criticized for not contributing enough money to the social and civic life of Brazil. An aggressive capitalist, he was viewed as an upstart by much of the nation's aristocratic elite. Nevertheless, he was known for his vigor, energy, and charm.

Matarazzo is alleged to have become an admirer of Italian leader Benito Mussolini during a visit to Italy in 1923. It was reported that Matarazzo had begun giving the Fascist salute and may have even joined Italy's Fascist Party. Perhaps inspired by the corporatist social model trumpeted by early fascism, he was one of the founders of the Federation of Industries of São Paulo (FIESP) in 1928, and he served as the organization's first president. In 1928, there was a strike at his Mariangela textile mill resulting from his automation of the factory. Although he purposely refrained from direct participation in Brazilian politics, Matarazzo was able to use his influence with the government to secure tariffs to protect his industries from foreign competition.

At its height, the Matarazzo conglomerate was the largest in South America and one of the largest in the world. It encompassed more than two hundred companies, with thirty thousand employees and a value of more than $20 billion in 2010 currency. Matarazzo owned vast estates in Brazil and Italy, and he was considered to be the richest man in Brazil and one of the richest in the world. His mansion, built in 1895, was located in a prominent, prestigious address on the Avenida Paulista. At his death in 1937, his fortune and enterprises were passed on to his family. Leadership of the Matarazzo industries was assumed by his son, Francisco Matarazzo, Jr., known as Count Chiquinho, and by his nephew Francisco Matarazzo Sobrinho, known as Ciccillo. In later years, Matarazzo's descendants fought over the family's industrial empire. The family's business ventures declined, with several companies declaring bankruptcy.

Legacy

Francisco Matarazzo is one of the most important industrialists in South American history. He built a conglomerate that spanned almost every industry in Brazil. His mansion on the Avenida Paulista, improved by his son, was the epitome of wealth. It housed a multimillion-dollar collection of art, including paintings by Flemish masters Jan Brueghel the Elder, Sir Anthony van Dyck, and Peter Paul Rubens. The hallways were lit by vast skylights; the floors were made of marble and carpeted with Persian rugs. Chinese vases, antique silver, and Roman tableware adorned the dining and reception rooms. Three cellars held the choicest wines.

In an indication of the decline of the Matarazzo fortune, the mansion became the site of a struggle between the government of São Paulo and Matarazzo's heirs. The mansion had been renovated in 1942 by Marcelo Piacentini, one of Mussolini's architects, and was later protected as part of Brazil's architectural heritage. Nevertheless, the Matarazzo heirs sought to demolish the structure in order to sell the valuable land on which it was located, estimated to be worth $150 million.

—*Howard Bromberg*

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Giovanni de' Medici

Italian banker

The wealth that Medici accumulated assured his dynasty its place in Florentine Renaissance society. Although he avoided public displays of power, his sons and grandsons parlayed their wealth into political power.

Born: c. 1360; Florence (now in Italy)
Died: February 20, 1429; Florence
Also known as: Giovanni di Bicci de' Medici
Sources of wealth: Banking; manufacturing; real estate
Bequeathal of wealth: Children

Early Life

Not a great deal is known about the early life of Giovanni di Bicci de' Medici, better known as Giovanni de' Medici (zhyoh-VAHN-nee day MEH-deh-chee). Unlike other early figures of the Italian Renaissance, who left copious documentation about their lives, there are few personal documents about Medici. This absence of documents leaves unanswered questions about his rise and his political activities in Florence.

He was born around 1360, and his father, Averardo di Salvestro (called Bicci), died of the plague about three years later. Bicci left five sons, among whom he divided a meager estate of agricultural lands in the region of Mugello, north of Florence. His will also left money for restitution for usurious dealings, suggesting that he had some connection with small-scale moneylending.

First Ventures

The Medici family was moderately prosperous in the thirteenth century, but by the late fourteenth century their resources had declined. Relatively impoverished, Giovanni and his brother Francesco followed a career path common in early Renaissance Italy: They went to work for a relative, a distant cousin named Vieri di Cambio de' Medici. Vieri had banking interests in Florence and Rome, as well as abroad. Giovanni rose in the business, becoming managing partner of the Rome branch by 1385. That year he got married, and his wife's dowry may have bankrolled his advancement.

In 1386, he joined the Arte del Cambio, the guild overseeing international bankers. Vieri died about 1391, and his banking interests were divided between his sons and the two sons of Bicci. For a time, Giovanni remained in Rome overseeing papal investments, though he cooperated closely with the other family bank branches. In 1397, he moved his operations to Florence, for reasons that remain unknown. This move marks the foundation of the Medici Bank.

Mature Wealth

From 1397 until 1420, Giovanni was head of the Medici Bank, as well as the Medici family. His great wealth was acquired through his dealings with the Roman Catholic Church. He developed ties with the Papal Curia when he worked for Vieri. Giovanni's later relationship with Baldassare Cossa, a Roman Catholic cardinal, was also crucial. Giovanni may have met Cossa as early as 1399, and later events suggest that Giovanni was impressed with Cossa's real-world talents, not his religious vocation. Cossa became legate to the papal city of Bologna in 1402, and from that time until his investiture as Pope John XXIII in 1410, he played a major role in the chaotic events and shifting allegiances in Italy.

As defender of Bologna, Cossa required money to pay troops, and by 1404 he was financially supported by large Medici loans. The Medici family made very handsome profits on these loans. Their ties to Rome became even more important for the success of their bank when Cossa acceded to the papal throne. (He would later be considered one of the antipopes.) Now, Giovanni was the primary banker for the pope. Profits from the bank's Rome operations reached as high as 50 percent, and they were regularly 30 percent of capital investment each year. This was the time of the Great Schism, however, and in 1415 John XXIII was removed from office. Nonetheless, Giovanni remained Cossa's friend until his death in 1419.

For Giovanni, neither friendship nor politics would stand in the way of profit. Cossa's legitimate successor was Pope Martin V, and the Medici Bank established itself as the pope's banker during his reign. The Medici remained the primary depository bank of the Papal Curia for the next sixty-two years.

Under Giovanni's control, the Medici family developed other profitable interests. In the first decade of the fifteenth century, the family expanded into wool production, a mainstay of Florentine prosperity. Giovanni founded branches of the bank in key trading cities in Italy and had agents throughout Europe. By 1408, however, he sought no further expansion, preferring to maintain close control over what he had. He began to invest profits in land and acts of patronage.

Tax records demonstrate how Giovanni's wealth greatly increased. In 1396, his assessment was only 14 florins; in 1403, this rose to 150 florins. In the first *catasto* (tax) records of 1427, his assessment was 397 florins, the third largest amount in Florence.

During Giovanni's lifetime, Florentine politics were risky and fractious. For the most part, Giovanni stayed out of the public eye, and he recommended that his sons do the same. However, maintaining a low profile did not mean that Giovanni was without influence. He was named prior of Florence in 1402, and he served on several of the oversight boards for major civic projects, especially those associated with the cathedral precinct. Giovanni was at the center of a large network of reciprocal obligations of aid and service. He was recognized as the leading citizen in San Giovanni and San Lorenzo, the quarters of Florence in which the large Medici family and their dependents lived, and with or without his machinations he was the head of the Medici political party. His son Cosimo de' Medici would move this informal political power to formal leadership in the 1430's.

In 1420, Giovanni turned over the daily operations of the Medici Bank to his son Cosimo. He lived his last years quietly, enjoying his wealth and position and acting as patron of the arts. He was publicly responsible for rebuilding the sacristy of the Church of San Lorenzo, which was destined to be his burial place. Less publicly, he was the patron for rebuilding the entire church.

Giovanni de' Medici died on February 20, 1429. His funeral was a major event in the city of Florence, and his cortege was made up of twenty-six men from the large Medici clan. According to his son, his estate was valued at 180,000 florins. Giovanni refused to make a will, perhaps because he did not want to order restitution for ill-gotten gains.

The Medici Bank

The bank founded by Giovanni de' Medici functioned for almost a century, from 1397 through 1494. It prospered and expanded under Giovanni and his son Cosimo. Centered in Florence, it had branches throughout Europe. A combination of mismanagement and broad economic collapse resulted in its failure in the late fifteenth century.

The documents on which a history of the bank depend are relatively numerous. Confidential ledgers were discovered in 1950; they cover the period of 1397 to 1451 with great detail. However, documents for the remaining years of the bank's operation are less complete. Still, these are among the most complete archival records for this historical period. After the institution in 1427 of the *catasto*, or proportional tax based on stated returns, tax records are also an important source of information about the bank.

Currency exchange and credit were necessary for the functioning of long-distance trade, especially for the Roman Catholic Church. Income and currency received in a foreign country had to be transported to the home country and converted into the local currency. Money changers evolved into international banks through the institution of bills of exchange, drawn on the assets in one town and honored by a branch in another town. Travel was slow, and time was allowed between the creation of the bill and its execution, so these bills of exchange were actually a form of credit. Since the transactions were called exchanges instead of loans, profits evaded the church's sanctions against usury.

The organization of the Medici bank was not particularly innovative. As in the fourteenth century banks operated by the Bardi and Peruzzi families, partners in the Medici bank joined together to invest capital and reap rewards in proportion to their investment. Giovanni de' Medici had learned an important lesson from the collapse of the Bardi and Peruzzi banks. His one innovation was to protect the "home office" from the mismanagement and bad loans of the branches. In an arrangement that foreshadowed the limited liability holding company, primary partners in the Medici bank could be held responsible for losses only up to the amount of their original investments. Thus, these partners' accumulated wealth was untouchable.

The Medici bank is significant because it was the largest banking establishment of its time, though it probably never employed more than sixty-five people. The wealth the bank created was the engine propelling the Medici family's rise to power in Renaissance Florence. The operations of the bank add to the understanding of business history, and the problems that caused its collapse are similar to problems facing modern financial institutions.

Legacy

The wealth amassed by Giovanni de' Medici helped create the Italian Renaissance. During that period, the rich chose to use their wealth to fund public and private projects that beautified their cities and glorified their names. Giovanni worked closely with the architect and engineer Filippo Brunelleschi and the sculptor Donatello, two artists credited with the creation of the Renaissance style. His descendants continued and expanded this tradition of patronage.

Giovanni's wealth and the bank he founded also provided his heirs with the wherewithal to solidify their place of honor in Florentine society. His son Cosimo became de facto ruler of the city upon his return from exile in 1434, and other descendants become popes, dukes, and the consorts of kings.

—*Jean Owens Schaefer*

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See also: Ridolfo de' Bardi; Agostino Chigi; Francesco Datini; Lorenzo de' Medici; Jacopo de' Pazzi; Filippo di Peruzzi; Filippo Strozzi.

Lorenzo de' Medici

Italian patron of the arts, banker, and politician

Lorenzo de' Medici headed the richest banking family in Italy. He used his wealth to maintain Medici control over the Florentine Republic, elevate his son and nephew to the position of pope, and become one of the leading Renaissance patrons of arts and letters.

Born: January 1, 1449; Florence (now in Italy)
Died: April 9, 1492; Careggi, near Florence (now in Italy)
Also known as: Lorenzo the Magnificent
Sources of wealth: Inheritance; banking
Bequeathal of wealth: Children; relatives; artistic patronage

Early Life

Lorenzo de' Medici (loh-REHN-zoh day MEH-deh-chee) was born on New Year's Day, 1449, into a fabulously wealthy Florentine banking family. The family fortune was established by his great grandfather Giovanni de' Medici (1360-1429), who created the Medici Bank with money earned from commerce and money-lending. The bank financed much of Florence's ever-increasing economic activity. Working with his son Cosimo (1389-1464), Giovanni invested time and money in supporting the return of the papacy from Avignon in France to Rome. In 1413, the Medicis became "God's bankers," performing financial transactions for the Roman Catholic Church, and were the leading family of

Lorenzo de' Medici. (Library of Congress)

Florence. Under Cosimo's direction, the Medici bank created many European branches, quickly becoming the most profitable bank in Europe. Lorenzo's father, Piero I (1416-1469), though suffering from chronic illnesses and lacking in dynamism, was able to maintain Medici dominance after Cosimo's death in 1464.

As the eldest son of Piero, Lorenzo seemed destined to head the family dynasty. He lived in luxury in the sumptuous Medici Palace in Via Larga, Florence, which was completed about the time of his birth. Along with his two older sisters and brother Giuliano (four years his junior), Lorenzo matured surrounded by a multitude of relatives and doting parents. His formal education by leading Humanist tutors began at age five. Since the Medici Palace functioned as a salon, attracting the great artists and writers of the day, Lorenzo's informal education was also stimulating. He was gifted musically and in poetry writing, verbally expressive, and blessed with a photographic memory. Although suffering from asthma, eczema, and poor eyesight, he nevertheless was athletic and traveled widely. However, Lorenzo's youth was cut short when, at the age of seventeen, his father became critically ill.

First Ventures

In his mid-teens, Lorenzo had been sent by his father on special assignments as a trusted go-between to communicate information to Medici political allies scattered throughout Tuscany, as a dignitary representing the Medici family at ceremonial functions, and as a stand-in for Piero at city government meetings. Now with Piero's incapacitation, Lorenzo was sent to negotiate family business with dignitaries as important as the pope and the king of Naples. At the age of nineteen, in a carefully arranged marriage, Lorenzo wed Clarice Orsini, a member of one of the wealthiest, most powerful, politically well connected Roman families. Their marriage in Florence was celebrated during a three-day period at five major banquets. With the death of Piero the following year, the twenty-year-old Lorenzo became master of Florence, with his younger brother Giuliano as his closest associate. Lorenzo had to maintain his power in a Florence threatened by four rival Italian states and where a powerful rival banking family, the Pazzi, plotted continually to destroy the Medici. In addition, strong republican sympathies might explode at any time to launch a revolution designed to make Florence more than just a nominal republic.

Mature Wealth

Lorenzo would not become known for expanding Medici wealth, though he made some financially wise moves, such as establishing strong financial relations with the Ottoman Turks. Rather he is known for using the family's resources to maintain power and raise Medici prestige to great heights. He managed a network of many thousands of clients in Florence and other Italian states who looked to him for favors and granted their unquestioning loyalty in return. He became patron to many of the leading artists of the fifteenth century Renaissance, including Leonardo da Vinci, Sandro Botticelli, and the young Michelangelo, who lived at the Medici Palace for several years and was raised alongside Lorenzo's seven children. The works of these artists brought fame not only to Florence but also to the Medicis. Lorenzo was well aware that his grandfather Cosimo had earned great prestige for the family by becoming a patron of famous artists, such as Donatello and Filippo Brunelleschi, who achieved the greatest architectural feat of his time by constructing the magnificent dome of the Florence Cathedral. Lorenzo was also aware of Cosimo's close escape from death at the hands of the rival Albizzi family.

Lorenzo did not support artists for only political reasons. He truly loved the arts and became patron for leading Humanist writers, such as Giovanni Pico della Mirandola and Marsilio Ficino. He continued to write poetry in the vernacular of his native Tuscany. His agents scoured Europe searching for classical manuscripts to add to the Medici library. Politically, he negotiated agreements to keep the peace between Florence and its rival Italian city-states, and he made sure that members and associates of the Pazzi, a family of wealthy bankers and traders who rivaled the Medici, were kept out of political positions in Florence.

On April 26, 1478, in what has become known as the Pazzi Conspiracy, a group of assassins during the Easter mass entered the Florence Cathedral, stabbing Lorenzo in the neck and quickly murdering his brother Giuliano with nineteen stab wounds. Lorenzo disappeared in the confusion, but he soon showed his supporters that he was not mortally wounded. In rage, the crowd killed the assassins. The ringing of church bells brought out crowds of Florentines who murdered Pazzi family members and others involved in the conspiracy. Several hundred mercenary troops, about to invade Florence as part of a conspiracy involving Pope Sixtus IV and king of Naples, reversed course and headed out of Tuscany. All traces of the Pazzi family were wiped out in Florence.

Fearful of the next step, Lorenzo, loaded with gold and other gifts, traveled for nearly a month to meet with the pope. Although Sixtus was unhappy, he reached an agreement with Lorenzo that guaranteed the survival of the Medici family. However, Lorenzo knew that the only solid guarantee was domination of the papacy itself. His son Giovanni was marked for the church and Lorenzo's wealth was used to make him a cardinal at age sixteen. Giovanni went on in 1513 to become Pope Leo X, the first Florentine pope. Giulio de' Medici, the son of Lorenzo's murdered brother, was also designated for a church career. Medici influence made him the archbishop of Florence, then cardinal, and finally Pope Clement VII.

However, another church-related move, later in Lorenzo's life, would prove disastrous. Lorenzo became patron to a charismatic preacher named Girolamo Savonarola, bringing him to Florence in 1490. There, Savonarola railed against the paganism in Renaissance art and literature and the false materialism that was embodied in the Medici control of Florence. Economic crises, coupled with French involvement in conflict between the Italian states, caused many to respond to Savonarola's message. During this period, Lorenzo was stricken with gout similar to that which had incapacitated his father, and he also suffered from increasing depression. By Christmas, 1491, the pain became unbearable.

Lorenzo died on April 9, 1492, after being visited by Savonarola. It is still debated whether or not the puritanical preacher condemned or consoled him. Lorenzo was

The Laurentian Library

Clement VII, the second pope come from the Medici family, commissioned the building of the Laurentian Library in 1523. It was to be designed by Michelangelo in the cloister of the Basilica of San Lorenzo and to house the rare classical manuscripts and early printed books that were so painstakingly collected by Lorenzo de' Medici and his grandfather, Cosimo. Lorenzo's contribution was a large number of rare Greek texts. The library was meant to be a permanent reminder that the Medici legacy included not only commerce and politics but also intellectual and spiritual excellence.

Construction began in 1525 in order to build a library in the basilica atop a two-story cloister. Work proceeded at a snail's pace. Michelangelo departed from Florence in 1534, leaving his design to be completed by the architects Giorgio Vasari, Bartolomeo Ammanati, and Niccolò Tribolo. It was not until 1571 that the library was finally opened by Cosimo I, the Medici grand duke of Tuscany.

The library is viewed as one of Michelangelo's most revolutionary designs and stands as a prototype of mannerism. A unique staircase consists of three flights of stairs leading to the vestibule. The outer stairs are quadrangular in shape, the central ones are convex, and the bottom three steps are elliptical. The long reading room is lined with rows of light-producing windows; it is 152 feet long, 35 feet wide, and 28 feet high. Along the walls are two blocks of desks at opposite sides of the room. The floor consists of 8-foot-by-6-foot terra-cotta panels with geometric designs laid out in a sequence intended to exhibit basic geometric principles. Coupled with the design of the walls and ceiling, the reading room conveys a sense of order, concentration, and serenity. Additions were made to the library over the centuries. In the twenty-first century, this world-famous repository housed more than eleven thousand manuscripts and forty-five hundred rare printed books.

buried next to his brother Giuliano at the church of San Lorenzo, in a chapel designed by Michelangelo. Lorenzo was succeeded by his eldest son, Piero (1471-1503), an incompetent ruler who was driven out of power. Piero's son, Lorenzo, restored Medici rule in Florence in 1512, ruling until his death in 1519. His only child, Catherine (1519-1589), was in infancy; she would play an important role as queen of France, not ruler of Florence. The Medici name returned to rule Florence in the form of Cosimo I (1519-1574), the illegitimate son of another branch of the Medici family. He became the duke of Florence in 1537, and after conquering all of Tuscany he and his heirs were grand dukes of Tuscany until 1737.

Legacy

Lorenzo de' Medici became the embodiment of the Renaissance prince, not only to Niccolò Machiavelli, who dedicated his book *Il principe* (wr. 1513, pb. 1532; *The Prince*, 1640) to him, but also to historians. Financial power was translated into political power, as well as cultural power. In becoming a major patron of the arts, Lorenzo not only placed his family at the cultural center of Florence but also positioned Florence at the cutting edge of the Renaissance. He also placed a son and nephew on a course that led to the papacy.

Both popes followed his example and became major patrons of the arts to the point where Rome eclipsed Florence as the new center of the Renaissance. To bankroll his lavish spending, Pope Leo X sold high church positions and salvation on a large scale (indulgences), leading Martin Luther to launch what would become the Protestant Reformation. The other Medici pope, Clement VII, also had a corrupt and disastrous reign that saw Rome sacked and looted by its own Spanish allies. He was able to preserve the dynasty, however. by marrying his fourteen-year old-niece Catherine to the son of the king of France. As wife of the future King Henry II (1519-1559), Catherine would play an important role in French politics. She would bear ten children, three of whom would become kings of France.

—Irwin Halfond

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See also: Alexander VI; Ridolfo de' Bardi; Scipione Borghese; Giovanni de' Medici; Jacopo de' Pazzi; Filippo di Peruzzi; Filippo Strozzi.

SEVENTH DUKE OF MEDINA SIDONIA

Spanish aristocrat and military leader

Medina Sidonia, a Spanish noble, served as the commander in chief of the Spanish Armada, which was defeated by England in 1588. His appointment as a military commander is typically attributed to his wealth and family connections to the king of Spain, and therefore he was derided as a "general of gold."

Born: September 10, 1550; Sanlúcar de Barrameda, Spain
Died: July 26, 1615; Sanlúcar de Barrameda, Spain
Also known as: Alonso Pérez de Guzmán el Bueno y Zúñiga (birth name); Alonso de Guzmán
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Children

EARLY LIFE

The seventh duke of Medina Sidonia (mah-DEE-nah see-DOHN-ee-ah) was born Alonso Pérez de Guzmán el Bueno y Zúñiga in the ducal palace at Sanlúcar de Barrameda, Spain. His parents were Don Juan Claros de Guzmán, count of Niebla, and Doña Leonor Manrique de Zúñiga y Sotomayor, the daughter of the fourth duchess of Béjar and her consort, the count of Belalcazar. Alonso Pérez de Guzmán's paternal grandfather was Don Juan Alonso de Guzmán, sixth duke of Medina Sidonia, and his grandmother, Doña Ana de Aragon, was a granddaughter of King Ferdinand of Aragon. Medina Sidonia and King Philip II of Spain were cousins.

FIRST VENTURES

In 1556, Alonso Pérez de Guzmán's father died, and his father's title, the count of Niebla, passed to Guzmán. Guzmán's grandmother, Ana de Aragon, died later that year, and the sixth duke died in 1558. As a result of these deaths, Guzmán inherited titles and lands to become sev-

English war ships are depicted among the scattering armada of Spanish ships. The seventh duke of Medina Sidonia was blamed for Spain's failed effort to invade England. (Hulton Archive/Getty Images) enth duke of Medina Sidonia, fifth marquis of Cazaza in Africa, twelfth lord of Sanlúcar de Barrameda, and tenth count of Niebla. More than four hundred folio pages were needed to catalog the estates that he inherited and his properties, rights, and jurisdictions within each. His estates stretched from the Portuguese frontier to the mountains behind Gibraltar, covering half of the present Spanish provinces of Huelva and Cadiz, then part of the Kingdom of Seville, and a corner of the province of Málaga, then in the Kingdom of Grenada. His largest estate, the county of Niebla, included twenty townships. Altogether, about fifty-five hundred people lived under the duke's jurisdiction as his vassals.

Mature Wealth

On his estates, Medina Sidonia bore responsibility for the provision of local government, the administration of justice, and the maintenance of the militia, which included the collection of taxes necessary to support these functions. The land that he owned, combined with other income, reportedly earned him 60,000 ducats in 1572. From Sanlúcar alone, he received 80,000 ducats in 1582.

Since Medina Sidonia was the head of one of Spain's oldest and most illustrious families, it is not surprising that King Philip II appointed him the captain general of Andalusia in 1588. Medina Sidonia, known for a reflective temperament, had campaigned for the post. Upon the death of the marquis de Santa Cruz later that year, Medina Sidonia accepted Philip II's offer and became leader of the Spanish Armada. He had no naval experience, and he was aware of the fleet's deficiencies in supplies, arms, and crew. Nevertheless, Medina Sidonia felt duty-bound to try to fulfill the Spanish Armada's mission of covering Alessandro Farnese's land attack on England. Weather conditions and a running battle with the English fleet destroyed much of the Armada. Medina Sidonia returned to Spain with the remnants of his fleet in late 1588. Despite his loss, he remained a favorite of Philip II and continued to serve in high offices until his death. However, many of his contemporaries and subsequent historians have criticized him for his failure to defeat the English.

Legacy

The seventh duke of Medina Sidonia commanded the Spanish Armada largely because of his wealth, and he is largely blamed for the failed Spanish effort to invade England. As one of the wealthiest and most politically prominent individuals of his era, the duke bears some of the responsibility for the financial and military shortcomings of early modern Spain. However, he was a capable manager of his own considerable fortune. His descendants remained politically prominent and wealthy into the twenty-first century.

—*Caryn E. Neumann*

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See also: Nuno Álvares Pereira; Diego Hurtado de Mendoza; Juan Antonio Corzo Vicentelo.

Frederik Meijer

American grocery and retail store magnate

With his father, Hendrik, Frederik Meijer built a grocery and retail empire consisting of almost two hundred Meijer Superstores throughout the Midwest and Kentucky. He has used his wealth to improve the quality of life in southwest Michigan.

Born: 1919; Greenville, Michigan
Also known as: Frederik Gerhard Hendrik Meijer
Source of wealth: Retailing
Bequeathal of wealth: Charity

Early Life

Frederik Gerhard Hendrik Meijer (FREHD-rihk MI-ehr) was born in Greenville, Michigan, in 1919, the younger of two children born to Dutch immigrants, Hendrik and Gezina Meijer. Hendrik Meijer was a barber before starting a dairy operation with only moderate success. When Hendrik turned to the grocery business in 1934, Frederik worked in the store, thus limiting his school activities to music and acting in school plays. Growing up poor, he once remarked that during his childhood he never spent a nickel on a soft drink because that was too much money to spend frivolously.

As a teenager, Meijer showed a knack for the grocery business and was given ever-increasing responsibility. He created advertisements, bought merchandise for resale, and negotiated with creditors. Although the country was in the Depression, the store flourished because the Meijer family always bargained for the best deals with suppliers and passed on the savings to their customers.

First Ventures

Meijer's first business venture was the family store in Greenville. Unlike some sons of entrepreneurs, Meijer did not easily fall into his fortune; he helped build it. He was fully involved in the store from the beginning, helping to rebuild it after it was destroyed in a fire and making the decision to open a second store. Hendrik made Meijer a full partner when Meijer opted to forgo college and make the family business his career.

Having two stores proved personally fortuitous. Meijer hired employees, one of whom was a cashier named Lena Rader, whom Meijer married. The couple later had three sons, Hank, Doug, and Mark, all of whom would become actively involved in the family business.

Mature Wealth

Meijer continued to expand his business. He was one of the first grocers to open self-service supermarkets. In 1962, Meijer Thrifty Acres (now simply called Meijer) in Grand Rapids, Michigan, became the template for the company's chain stores. The 180,000-square-foot building combined a grocery store with a department store, offering customers what the company described as "one-stop shopping." Meijer would later be given credit for opening the first "hypermarket" in the United States. (Coincidentally, another hypermarket pioneer was named Fred Meyer and opened similar stores in the Pacific Northwest, beginning in Portland, Oregon.)

By providing good prices and a high quality of customer service, Meijer's stores competed effectively with both supermarket chains and discount stores. He liked it when customers complained because he could address the problem and avoid a recurrence. By 2009, Meijer, Inc., employed more than eight thousand people in more than two hundred stores in Michigan, Ohio, Indiana, Illinois, and Kentucky. Meijer has said that one of the reasons his company succeeded is that he hired good people, trusted them, and, most important, allowed them to make mistakes.

Meijer's corporate stewardship is exemplary. He remembers where he came from and knows that with privilege comes responsibility. Although his sons became active members of the company's management team, he continued to visit the office nearly every day, simply because he loved his business.

Legacy

The Meijer legacy is visible throughout southwest Michigan. In addition to the Frederik Meijer Gardens and Sculpture Park and the Fred and Lena Meijer Heart Center at Spectrum Hospital, both in Grand Rapids, Meijer donated substantially to the Meijer Majestic Theatre. He also donated the land on which Grand Valley State University built its Holland, Michigan, campus. The Grand Valley State University campus in Grand Rapids is home to the Meijer Public Broadcast Center. His Dutch heritage remains such an important part of his identity that he funded the Meijer Chair in Dutch Language and Culture at Calvin College.

Despite having his name blazoned throughout the Grand Rapids area, Meijer remained a humble man. When the Meijer stores offered flu shots, he and Lena dropped into a store and waited in line with the other customers for their inoculations. To these customers he was just Fred, the store's founder but also the man who enjoyed giving them coupons for free ice cream cones at his in-store Purple Cow kiosks.

—*Norma Lewis*

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See also: Helen Walton; Sam Walton; F. W. Woolworth.

Andrew Mellon

American banker, industrialist, and government official

Mellon built a financial and industrial empire headquartered in Pittsburgh, Pennsylvania, including Mellon National Bank, Alcoa, and Gulf Oil. He also served as secretary of the Treasury from 1921 to 1932.

Born: March 24, 1855; Pittsburgh, Pennsylvania
Died: August 26, 1937; Southampton, New York
Also known as: Andrew William Mellon
Sources of wealth: Inheritance; banking; investments
Bequeathal of wealth: Children; charity

Early Life

Andrew William Mellon's father, Thomas Mellon, moved to Pittsburgh from rural Pennsylvania as a young man in 1834. A stern Presbyterian, Thomas became a successful attorney, served as a local judge for ten years, and built a thriving business that began in real estate management and expanded into banking and transportation. Bemoaning his inability to find competent and trustworthy business partners, he made his sons—Thomas, James, Andrew, Richard (Dick), and William—his primary partners. This worked especially well in the case of the introverted, taciturn (some would say icy), workaholic Andrew, who eagerly learned about loans, mortgages, foreclosures, and bookkeeping in his early teens while assisting his father. Andrew attended the Western University of Pennsylvania (now the University of Pittsburgh), but he left three months short of graduation.

First Ventures

In 1872, Thomas Mellon provided seventeen-year-old Andrew and his younger brother Dick with $40,000 to develop real estate. Andrew moved quickly and competently, building an office, sheds, and warehouses; shipping coal and lumber for sale; and surveying and laying out building lots. Sensing that Pittsburgh's economic boom would soon collapse, he leased the lumberyard he had developed to a fire-stricken competitor just before the economy fell into recession. Three years later, Andrew was given a one-fifth interest in his father's bank, T. Mellon and Sons, and by age twenty-one he was given power of attorney to run the business on a day-to-day basis. Early in 1882, Thomas Mellon turned the management of T. Mellon and Sons almost completely over to Andrew, and the entire family increasingly deferred to the young man, whose business judgments were almost unfailingly correct.

As he began to manage much of his father's business, Mellon moved to establish enterprises with other partners, initially focusing on banking and finance and then branching out into industrial concerns. In 1881, in partnership with Henry Clay Frick, he gained control of the Pittsburgh National Bank of Commerce. Frick became Mellon's closest friend and Mellon helped manage Frick's growing wealth. In 1883, Mellon acquired the Union Insurance Company, helped found the Braddock Bank, and assisted in establishing the Pittsburgh Plate Glass Company.

In 1886, Mellon acquired the City Deposit Bank and installed his brother James as the bank's president. That same year, Mellon and Frick founded the Fidelity Title and Trust Company, and with the help of James Guffey, Mellon created and oversaw two natural gas companies. In 1887, Mellon's brother Dick became vice president of T. Mellon and Sons and became Mellon's inseparable partner and collaborator. (The Mellon National Bank, run by Andrew and Dick Mellon and Frick, superseded and absorbed most of the previously mentioned financial firms in 1902.)

Mature Wealth

In 1892, at the age of seventy-seven, Thomas Mellon put the remainder of his assets into a trust to be managed by Andrew on behalf of Thomas's surviving sons, with revenues to be disbursed equally among them. Thomas had turned over about $2.5 million in assets (about $130 million in 2010 dollars) to Andrew and estimated that the wealth of his sons was of equal size. From this base, Andrew built one of the largest fortunes in the world over the next few decades, reaching $100 million in 1915 ($2.2 billion in 2010 dollars) and $300 to $400 million at its peak in 1929 ($3.8 to $5 billion in 2010 dollars). Mellon attained this fortune by using his position as a financier to get in on the ground floor of several extremely promising industrial ventures, often based on new technologies; by installing capable managers and partners to oversee these enterprises; and by reinvesting the subsequent profits to turn these businesses into closely held national and global economic powerhouses.

In late 1889, the owners of the fledgling Pittsburgh Reduction Company approached Mellon for a small loan. Mellon was impressed with them and the potential of their revolutionary new process for extracting aluminum from bauxite ore. He offered them a substantial loan, bought shares in the company, became a director a year later, and then urged and financed the company's relocation to a new facility where coal and gas were cheaply available. In 1894, Mellon proposed and financed a new plant at Niagara Falls, where inexpensive hydroelectric power was abundant. Pittsburgh Reduction (later renamed Aluminum Company of America) earned massive profits as it expanded, vertically integrated, and protected its monopoly position.

In 1895, Edward Acheson of the Carborundum Company, who had invented a powerful new abrasive called silicon carbide, approached Mellon when the initial backers of Carborundum Company pulled out. Mellon instantly saw the company's possibilities, and he provided a loan and purchased an ownership stake, but the company continued to lose money because of its chaotic management. Mellon then secured a majority position in the company, placed a protégé in charge, and turned the company into a moneymaker.

Five years later, the Mellons were approached by two engineer-inventors, Howard McClintic and Charles Marshall, seeking to borrow $50,000 for a new venture that would make structural steel for the nascent skyscraper market. After carefully examining their character and market prospects, the Mellons joined the men as partners in what grew to be the largest steel-fabricating business in the world, providing the steel for Grand Central Station and the Panama Canal locks. That same year, Mellon oversaw the merger of thirteen specialty manufacturers into the Crucible Steel Company, and he became an organizing partner in the New York Shipbuilding Company, which built the U.S. Navy's first dreadnought and earned considerable profits, especially during World War I. In 1902, Mellon sold the Union Steel Company (established in 1899) at a great profit to U.S. Steel and used the funds to launch the Standard Steel Car Company, which was managed by three executives whose company had been bought out by U.S. Steel. Standard Steel Car was an instant success.

Andrew Mellon. (Library of Congress)

In 1900, the Mellons' friend James Guffey and his partners uncorked the legendary Spindletop gusher while wildcatting for oil along the Gulf coast of Texas. Guffey had borrowed substantial funds from the Mellons and needed more to develop the oil field, but the Mellons were not initially impressed with the field's profit potential. After a personal plea they reconsidered, putting together a syndicate to finance wells, leases, pipelines, storage tanks, and a refinery. The company initially foundered because of a high sulfur content in the oil and poor management, but Mellon's partners took over the firm's management, unsentimentally squeezing Guffey out, and built it into a profitable multinational firm, Gulf Oil. Another of Mellon's profitable investments was the Koppers Company, which used recently developed German technology to reduce air pollutants by profitably converting coke oven waste gases into a wide range of industrial products, including benzene, toluene, and naphtha. Andrew Mellon's empire now stretched across a wide swath of the U.S. economy.

At an age when most men retire, Mellon stepped into the political arena in 1921, when he reluctantly agreed to serve President Warren G. Harding as the secretary of the Treasury, a position he held until 1932. (Mellon's marriage to Nora McMullen had collapsed, resulting in a nasty divorce trial, and his diary explains that he accepted the Treasury Department position so his nineteen-year-old daughter could enjoy the Washington, D.C., social scene.) Mellon nominally turned all his bank stock over to his brother Dick and resigned from his more than sixty corporate directorships, although considerable evidence confirms that he violated the spirit of conflict-of-interest rules by actively engaging in business affairs while in public office.

The National Gallery of Art

Andrew Mellon became interested in collecting art in the late 1890's while traveling in Europe with his friend, industrialist Henry Clay Frick. Mellon was an exceptionally careful collector, weighing each purchase, negotiating for lower prices with a poker face, and frequently returning works, while working most closely with art dealers Roland Knoedler and Joseph Duveen. During the 1920's, Mellon accelerated his collecting with an eye toward donating his works to the American people. His most spectacular purchases occurred in 1930 and 1931, when he secretly acquired twenty-one paintings from the Hermitage Museum in Leningrad (now St. Petersburg, Russia), when the Soviet Union sold the czars' heirlooms at rock-bottom prices during the Great Depression.

In 1937, the National Gallery of Art was created when Congress accepted Mellon's unexpected gift of his art collection. Funds for the construction of the gallery, which opened on March 17, 1941, were provided by the A. W. Mellon Educational and Charitable Trust. The total market value of these priceless gifts was at least $60 million ($900 million in 2010 dollars). Located on the Mall in Washington, D.C., the National Gallery (Mellon insisted that it not be named for him), was designed by architect John Russell Pope, who later designed the Jefferson Memorial. Reminiscent of the Pantheon in Rome, the original neoclassical building was the world's largest marble structure at the time of its completion.

Mellon handpicked the gallery's trustees, and his hope that his own donation would spur gifts from other collectors was soon validated with major donations from Samuel and Rush Kress, Joseph Widener, Chester Dale, Lessing Rosenwald, and Edgar W. and Bernice Chrysler Garbisch, as well as numerous individual gifts. Among the notable works donated by Mellon are Sandro Botticelli's *Adoration of the Magi*; John Constable's *Salisbury Cathedral from Lower Marsh Close*; Jan van Eyck's *Annunciation*; Francisco de Goya's *Marquesa de Pontejos*; El Greco's *Saint Ildefonso*; six works by Frans Hals; Raphael's *Saint George and the Dragon*, *Alba Madonna*, and *Niccolini-Cowper Madonna*; several Rembrandts, including *A Polish Nobleman*; Gilbert Stuart's *George Washington*; Titian's *Venus with a Mirror*; JanVermeer's *Girl with the Red Hat*; and Paolo Veronese's *The Finding of Moses*.

Mellon became one of the most influential Treasury secretaries and a leading figure in the presidential administrations of Harding, Calvin Coolidge, and Herbert Hoover. He is credited with taking the lead in renegotiating the payment schedule of the onerous Allied debts after World War I; adeptly refinancing a huge portion of the U.S. national debt at lower interest rates, saving taxpayers about $200 million per year; and successfully leading a move to reduce the top marginal income tax rates in order to encourage investment, while expanding the zero tax bracket to include the majority of Americans. Mellon warned that the country would eventually run into another severe industrial downturn, and he urged that "while we are prosperous we should put our house in order to meet subsequent difficulties," a goal he helped attain by paying down the national debt.

Legacy

After the stock market crash of 1929, Hoover moved to calm markets by announcing that Mellon would stay on as the Treasury secretary. Economic historians now blame the descent into the Great Depression primarily on misguided state-level banking regulations, the public's loss of confidence in banks, a rapid decline in the money supply, missteps by the Federal Reserve, and maladapted international monetary arrangements. However, at the time of the crash the public came to increasingly blame Hoover and Mellon for the financial crisis, seeing Mellon as the unsympathetic plutocratic embodiment of a collapsing presidential administration.

In 1931, Andrew and Dick Mellon refused to contribute their bank's funds to an effort to rescue the failing Bank of Pittsburgh because the deal did not give them a controlling majority of the bank's stock. When the Bank of Pittsburgh subsequently collapsed, Mellon's popularity sank irretrievably, and Hoover shunted Mellon to the position of ambassador to Great Britain.

As President Franklin D. Roosevelt came to power, Mellon was identified in the public mind as one of the "malefactors of great wealth" who had wrecked the economy, and despite a grand jury finding of insufficient evidence, Mellon was tried for income tax evasion. The politically motivated trial ended in Mellon's unequivocal exoneration. Despite the political acrimony, Mellon, who was dying of cancer, met with Roosevelt to reach an agreement about the bequest of his magnificent art collection to the nation and the establishment of the National Gallery of Art. This art collection became Mellon's primary legacy, along with the continued success of the companies he founded and a well-endowed philanthropic foundation established in his name by his children, Paul Mellon and Alisa Mellon Bruce.

—*Robert Whaples*

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See also: Andrew Carnegie; Arthur Vining Davis; Henry Clay Frick; Hetty Green; Richard B. Mellon; J. P. Morgan; Henry Phipps; Charles M. Schwab.

RICHARD B. MELLON

American banker and investor

Through the Mellon Bank, Richard B. Mellon and his brother Andrew provided financial support and guidance for many major American corporations, including the companies that would later become Alcoa, U.S. Steel, and Gulf Oil. By the twenty-first century, Mellon Bank had become Mellon Financial Corporation, one of the world's largest money management firms.

Born: March 19, 1858; Pittsburgh, Pennsylvania
Died: December 1, 1933; Pittsburgh, Pennsylvania
Also known as: Richard Beatty Mellon
Sources of wealth: Banking; investments
Bequeathal of wealth: Spouse; children; relatives

EARLY LIFE

Richard Beatty Mellon was the fourth of six sons of Judge Thomas Mellon and Sarah Jane Negley Mellon. His early education was by private tutor, and he attended college at Western University, which later became the University of Pittsburgh. In his teens, Mellon partnered with an older brother, Andrew, in some moneymaking ventures, such as a lumber yard. In November, 1897, he married Jennie King, the daughter of Alexander King, a wealthy glass manufacturer. The couple had two children, Richard King and Sarah.

FIRST VENTURES

In 1883, Mellon's sickly brother George needed to move for health reasons, and Mellon was chosen to go with him. The brothers moved to Bismarck, North Dakota, and opened a bank, with Mellon serving as director. The bank was successful during the economic boom and growth of Bismarck. However, subsequent hard times caused the bank's business to decline in 1887, at about the time when George died. Mellon returned to Pittsburgh, the poorest of the five remaining brothers.

T. Mellon and Sons, the bank started by Mellon's father and managed by his brother Andrew, had prospered. Andrew made Mellon a vice president and then a full partner in the bank. The two brothers shared almost every aspect of business until Andrew became the secretary of the Treasury in 1921. The brothers invested in the Pittsburgh Reduction Company, which refined aluminum from its ore and later became Alcoa. The Mellons also provided financing for the Pennsylvania oil ventures of a nephew, William L. Mellon; this business was later sold to the Standard Oil Company. Richard and Andrew similarly invested in an oil venture in Texas which became the Gulf Oil Company. The brothers' successful investments enabled promising companies to receive needed funding, while enabling the Mellons to obtain ownership shares that would pay off profitably when these companies prospered.

MATURE WEALTH

An imposing list of companies was financed and guided by the Mellon brothers. Some of these firms included the Carborundum Company; the McClintic-Marshall Construction Company, a steel fabrication business that eventually became a part of U.S. Steel; the Pittsburgh Coal Company, which later became CONSOL Energy; the Standard Steel Car Company; the Koppers Company, which built coke ovens that recycled the gases emitted during the coke-making process; Westinghouse Electric

Company; and General Motors. Not every decision that the Mellons made was correct. For example, they did not provide financing to Henry Ford's automobile company.

After Andrew became the secretary of the Treasury, Richard directed the bank during its largest period of growth. He also formed Mellbank Corporation, a bank holding company that helped affiliated banks survive the Great Depression. As Mellon grew older, he became increasingly involved in philanthropy. He was a major donor for the Cathedral of Hope, and in 1926 he funded a pension fund for Presbyterian ministers.

Mellon caught pneumonia and died in December, 1933. His wealth at that time was estimated at $200 million, which would be more than $1 billion in 2010 dollars.

Legacy

Through Mellon Bank, Richard B. Mellon and his brother Andrew Mellon provided financial support and guidance for many of the companies that were founded during the Industrial Revolution of the late nineteenth and early twentieth centuries. The companies financed by the Mellons changed the lives of many Americans. Richard and Andrew also founded the Mellon Institute of Industrial Research in order to honor their father. The institute later combined with the Carnegie Institute of Technology to form Carnegie Mellon University.

—*C. Alton Hassell*

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See also: August Belmont; Arthur Vining Davis; Anthony Joseph Drexel; Hetty Green; Otto Kahn; Andrew Mellon; J. P. Morgan.

Aleksandr Danilovich Menshikov

Russian military leader, politician, and aristocrat

Menshikov rose from obscurity to become Czar Peter the Great's closest adviser and companion, and under Peter's successor, Catherine I, Menshikov was the czar in all but name. Although he was awarded land and great wealth for his military service, he made a far greater fortune through his corrupt practices.

Born: November 16, 1673; Moscow, Russian Empire (now in Russia)
Died: November 23, 1729; Berezov, Siberia, Russian Empire (now in Russia)
Sources of wealth: Government; real estate; embezzlement
Bequeathal of wealth: Dissipated; confiscated

Early Life

Aleksandr Danilovich Menshikov (al-ehks-AN-dehr dah-NEE-loh-vihch MEHN-shi-kawf) worked as a stable boy at the imperial estate at Preobrazhenskoe, where his father, an army corporal of Lithuanian origins, was stationed. As a young boy, Menshikov supplemented family income by selling meat pies on the streets in nearby Moscow. He developed street smarts, wit, and an outgoing personality but remained illiterate until well into adulthood. One person whom he impressed was François Lefort, a young Swiss mercenary who served as an officer in both the Dutch and French armies and then sought opportunity as an officer in the Russian army. Alexander became Lefort's personal servant. Lefort was a close friend of Czar Peter the Great. Peter, who was a year and a half older than Menshikov, was impressed by Menshikov and made him his personal servant. When Peter formed his "toy regiment" (later to evolve into the elite Preobrazhensky Regiment), Menshikov was the first to join. Drilling and practicing war games with Peter under the command of European adventurers living in Moscow's foreign quarter, Menshikov became the czar's close friend.

First Ventures

Menshikov fought alongside Peter and shared the czar's tent when the czar used his toy regiment to seize sole power in Russia, driving his stepbrother Ivan and stepsister Natalia from the throne. The two also fought together to defeat Turkish forces at Azov. Menshikov accompanied Peter on a journey to Europe, where the czar sought to learn Western technology and to recruit talented Europeans for careers in Russia. Menshikov and Peter learned shipbuilding in Amsterdam. When the regular Russian army revolted against Peter's Westernization, Menshikov returned to Russia with Peter and played a major role in the mass execution of officers involved in the revolt.

Lefort died in 1699, and Menshikov became Peter's primary adviser. As the lengthy Great Northern War broke out with Sweden (1700-1721), Menshikov proved to be a capable commander in terms of organization and bold initiatives. As a reward, Peter granted him honors, titles, command positions, and land grants. He was made governor of Karelia, Ingria, and Estonia. After Menshikov's victory over the Swedes at Kalisz, Poland, Peter made Menshikov the prince of Izhora and granted him large estates. Soon after that, Menshikov was named the governor general of St. Petersburg, which Peter intended to transform as the new capital of Russia. Menshikov's positions provided him with an incredible range of opportunities. He freely sold government contracts, embezzled money intended to finance military operations, and extorted money from people living in the territories he governed.

Mature Wealth

For his command role in the decisive Battle of Poltava (1709), Menshikov was made a field marshal, adding to his previous titles of prince of the Holy Roman Empire, grand duke, and serene highness. He was also granted lands at Oranienbad, facing the Gulf of Finland, where in 1713 work was begun on a massive and elegant palace designed by renowned architects Gottfried Schädel and Giovanni Fontana, who at the same time were building an even grander palace for Menshikov in St. Petersburg. Such expenditures were a clear indication that something was amiss.

The first major allegations about Menshikov's corruption were made in March, 1711, when he was accused of extortion in Poland. His primary defense was that he took money only from the Poles. Peter, aware of a string of past abuses, lectured Menshikov and warned him to end such transgressions. In a major corruption investigation in 1715, Menshikov was accused of mismanaging more than 100,000 rubles in government funds and property, while at the same time making large and unlawful profits in awarding government contracts. He was sentenced to pay back the expropriated money. Others accused in the corruption trials received far harsher sentences. While making a few token repayments and apologizing for his transgressions, Menshikov eventually ceased repayment.

Although Peter was thoroughly disgusted with his closest friend, the czar took no further reprisals. Relieved, Menshikov continued swindling government funds. In January, 1719, he was convicted of embezzlement and court-martialed. He was sentenced to loss of all his honors and estates. However, in the end Peter lifted the sentence and imposed a heavy fine. In 1724, Menshikov was accused of illegally owning thirty thousand serfs on estates he had acquired near Baturin. These serfs had either fled their obligation for military service or escaped from their masters. Fearful that these accusations would finally result in harsh reprisals from Peter, Menshikov sought protection from Peter's wife, Empress Catherine. The investigation of Menshikov's alleged corruption was nearing a conclusion when on January 28, 1725, Peter died abruptly from pneumonia. This was a fortuitous development for Menshikov, who immediately moved to make Catherine head of Russia and to rule Russia through her. This plan not only would protect his fortune but also would provide him with numerous opportunities to become even wealthier.

Menshikov had much to fear from the traditional Russian aristocracy, jealous and angered by his meteoric rise to power, status, and great wealth. Catherine I was even more removed from traditional Russian society than was Menshikov. She was of peasant Lithuanian stock and was Menshikov's mistress before Peter became infatuated with her in 1703 and made her his mistress. After Peter divorced his wife, Catherine wed Peter in November, 1707. At critical junctures, Catherine intervened to assuage Peter's wrath about Menshikov's machinations.

After Catherine ascended to the throne, Menshikov, as head of the Privy Council, the first senator, and Russia's only grand duke, was czar in all but name. The traditional Russian aristocracy had much to fear from challenging him. Catherine I had little interest in or knowledge of state matters. This ideal situation for Menshikov came to a rapid end when Catherine died of pneumonia twenty-seven months after her accession.

In a panic to preserve his power and wealth, Menshikov rapidly worked to make Peter, the eleven-year-old grandson of Peter the Great, the new czar. To solidify power, Menshikov arranged to have his sixteen-year-old daughter, Maria, betrothed to Peter II; in this way, his blood would merge with that of future Russian czars. At the time of his short illness in July, 1727, the world seemed ideal for Menshikov. Recovering after a few weeks, however, his world had radically changed in a reversal of fortune. The government had run smoothly without his direction, and the old-line nobles were anxious to be rid of Menshikov and to marry one of their own daughters to the boy czar. Peter II knew that Menshikov was responsible for luring his father, Alexei Petrovich, from a secure refuge in Italy to Russia, where, by order of the czar, Alexei was tortured to death while his captors tried to extract a confession about his attempt to seize the throne.

On September 27, 1727, Menshikov was punished for his corruption by being stripped of his offices and honors. He was sent with his family, including his daughter Maria, to exile in an estate in Ukraine. By August, 1728, Menshikov was accused of treasonable contacts with Sweden. All of Menshikov's property and wealth were seized by the state, and the entire Menshikov family was then exiled to Berezov in northern Siberia. Menshikov died in November, 1729, three weeks before the death of his wife and eight weeks before the death of Peter II.

Legacy

Aleksandr Danilovich Menshikov's rise from the lower rungs of Russian society to the pinnacle of power, status, and wealth shows the extent to which Petrine Russia was open to the advancement of talented individuals, resulting in the emergence of a new aristocracy of merit based on service to the czar. Menshikov's career is also an extreme example of corruption and the substitution of self-service for state service. His reversal of fortune, taking him from the highest positions of Russian power and wealth to a spectacular plunge into poverty and banishment, could be the script of a Greek tragedy.

The Menshikov Palace can be viewed as a lasting monument to Menshikov's life and career. His family continued to be of significance in czarist aristocratic circles. For example, his great-grandson, Aleksandr Menshikov (1787-1869), served as admiral of the Russian navy and commander in chief of Russian forces during the first years of the Crimean War.

—*Irwin Halfond*

Menshikov Palace

The three-story Menshikov Palace was the first massive stone structure in St. Petersburg and the most luxurious residence in the rapidly growing new capital of imperial Russia. It far exceeded in size and splendor the palace built by Czar Peter the Great. The palace was built on Vasilyevsky Island for Aleksandr Danilovich Menshikov, the first governor general of St. Petersburg, and it combined elements of Russian and West European architecture. The structure was designed by the renowned architects Giovanni Fontana and Gottfried Schädel and was so elegant that Peter the Great used it for major state receptions.

The palace was famous for its grand oak staircase and theme-designed rooms, including rooms featuring Dutch,Venetian, and Chinese motifs. Menshikov's favorite room was a beautiful walnut study. The palace's roof was constructed of bright red iron plates. The interior featured wood paneling, sculptured molding, and gilded decoration. The palace was decorated with more than 140 major artworks by Dutch, Flemish, Italian, and French painters, as well as elegant furniture and ornate silver plate. Reputedly, it was also full of fine art that Menshikov looted from Polish castles during the Great Northern War. Menshikov's private church, with its own bell tower, was located behind the palace, as were houses for his gardeners and a farm intended to produce fresh food for the palace. Clearly, the palace flaunted Menshikov's status and wealth, but it also set an early standard of grandeur and elegance for both public and private buildings in Russia's new capital.

Menshikov Palace was confiscated by Czar Peter II in 1727. It was used as a military school from 1732 to 1918. In 1967, it became part of the Hermitage Museum complex, and its exhibits about eighteenth century Russian culture are open to the public.

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See also: Ivan Borisovich Cherkassky; Nikita Romanov; Grigory Stroganov; Felix Yusupov.

Charles E. Merrill

American investment banker

Merrill obtained his vast fortune by reorganizing the business practices of his brokerage firm in order to tap into the wealth of the American middle class.

Born: October 19, 1885; Green Cove Springs, Florida
Died: October 6, 1956; Southampton, New York
Also known as: Charles Edward Merrill
Sources of wealth: Financial services; sale of products
Bequeathal of wealth: Charity; educational institution; medical institution

Early Life

Charles Edward Merrill was born on October 19, 1885, to Dr. Charles Merrill, a physician and drugstore owner, and Octavia Wilson Merrill. From 1901 to 1903, he attended a college preparatory school in Deland, Florida, and in 1903 he transferred to the Worcester Academy in Massachusetts. The following year Merrill enrolled in Amherst College in Massachusetts. In 1906, he quit school and returned briefly to West Palm Beach, Florida, where he worked for a local newspaper. Later that year, Merrill enrolled in the University of Michigan Law School. In 1907, he quit school again and moved to Mississippi, where he played minor league baseball for one season.

First Ventures

In 1907, Merrill relocated to New York City, where he was hired as an office boy at the Patchogue Plymouth Textile Mill. He quickly rose through the ranks, initially being promoted to credit manager and then to the position of assistant to the president. In 1909, George H. Burr & Company hired him to develop and manage its bond sales department. In 1913, he accepted a sales manager position at Eastman, Dillon and Company, an investment bank.

In 1914, Merrill established his own investment banking firm. Shortly thereafter, he brokered a partnership with Edmund Lynch, naming their new firm Merrill Lynch and Company. Together they gained a positive reputation for underwriting chain stores, including J. C. Penney, McCrory Stores, and S. S. Kresge Co. In 1926, Merrill found financial success when he not only underwrote Safeway, Inc., but also became the grocery company's largest shareholder. In 1928, he advised his clients to sell their stockholdings because he believed that the stock market was overpriced. His advice proved remarkably prescient when the stock market subsequently crashed in October, 1929. Merrill temporarily retired from Wall Street in 1930 and sold approximately $5 million of his firm's holdings to E. A. Pierce and Company.


Charles E. Merrill. (Time & Life Pictures/Getty Images)

Mature Wealth

In 1940, Merrill returned to the financial world. That year, he merged his company with E. A. Pierce and Company. In 1941, he facilitated another merger that created Merrill, Lynch, Pierce, Fenner and Beane, which at the time was the largest brokerage house in the world. As the firm's senior partner, Merrill instituted new policies and procedures aimed at attracting middle-class investors and making the company's business practices more transparent. He provided his sales team with training that emphasized low-pressure sales, conservative investment advice, and education for clients on the principles of investing. He offered his clients stock information and charged them reduced commission rates on small stock transactions. Merrill also began to recruit better-educated employees, whom he then trained in accounting and commercial banking.

Thinking beyond his own clientele, Merrill launched a national advertising campaign that not only encouraged middle-class Americans to invest but also explained the general principles of investment. In 1954, the New York Stock Exchange unveiled a monthly investment plan program aimed at assisting the small investor. Within a year of the program's inception, Merrill's firm held more than half of the nation's monthly investment plan accounts. At the time of Merrill's death in 1956, his company had more than 300,000 customers and employed more than forty-six hundred people.

Legacy

Charles E. Merrill's innovative business practices changed the financial landscape of America. His business methods enabled middle-class American to have the opportunity to invest in the stock market. By providing honest and transparent services to his clients, Merrill established loyal and long-term customer relationships and amassed a personal fortune. Most important, his personal success on Wall Street led to dramatic changes in the operations of the investment services industry.

—Bernadette Zbicki Heiney

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See also: John Bouvier; Bernard Cornfeld; Clarence Dillon; Otto Kahn; Joseph P. Kennedy; Michael Milken; Jacob Schiff; Charles R. Schwab.

André Michelin

French tire magnate and tourism promoter

In amassing his wealth, Michelin made a significant contribution to the acceptance of the automobile as a reliable and utilitarian means of travel. He also promoted tourism and created one of the world's most famous advertising and cultural icons—the Michelin tire man.

Born: January 16, 1853; Paris, France
Died: April 4, 1931; Paris, France
Also known as: André Jules Michelin
Sources of wealth: Manufacturing; sale of products; tourism
Bequeathal of wealth: Spouse; children

Early Life

André Jules Michelin (an-DRAY jewl meesh-LEHN) was born in Paris on January 16, 1853. He was the son of Adèle Barbier and Jules Michelin, an artist. Adèle was the daughter of Aristide Barbier, who with his cousin Édouard Daubrée had established a successful factory producing various kinds of machinery and a wide variety of rubber items. Michelin's younger brother, Édouard Étienne Michelin, was born on June 23, 1859. In 1877, Michelin graduated from the École Centrale Paris with a degree in engineering. He then enrolled in the Paris School of Art to study architecture, and his brother Édouard studied art there.

First Ventures

After working for five years in the cartography department of the Ministry of the Interior, Michelin opened a metal framework factory in Paris. By 1886, the company founded by his grandfather Aristide Barbier was in serious financial trouble and about to fail. Michelin was asked to go to Clermont-Ferrand and take over the company. After considerable deliberation, he agreed to do so. However, Michelin kept his framework business in Paris and soon found that he often needed to return to Paris to attend to his business there. Consequently, he and the rest of the family convinced his brother Édouard to join him in the effort to save the family business. Édouard agreed to abandon his art career and go to Clermont-Ferrand.

In 1889, both of the Michelin brothers went to Clermont-Ferrand, where they rebuilt the family's rubber products firm. A bicyclist who had a flat tire arrived at their shop and asked them to fix it; the Dunlop pneumatic tire was glued to the bicycle's rim. The brothers managed to fix the tire but spent some three hours detaching, repairing, and regluing it. Based on this experience, the brothers realized there was a need for a pneumatic tire that could be repaired or changed more quickly and easily. They began experimenting and in 1891 introduced a pneumatic tire for bicycles that could be repaired in approximately fifteen minutes.

On August 14, 1891, the Michelin brothers sponsored Charles Terront, a renowned racer, in the Paris-Brest-Paris bicycle race, equipping his bicycle with their pneumatic tires. The race turned out to be a true proving ground for their tires. One of the tires was punctured during the competition, but Terront repaired it and still won the race. The Michelins had such confidence in their tires that they were announcing the victory before Terront had actually crossed the finish line. After additional work, Édouard developed a tire that could be changed in about two minutes. In 1892, André set up another race, this time over a course littered with nails to demonstrate the ease of fixing the Michelin tire. The promotional campaign resulted in the sale of almost ten thousand sets of tires to bicyclists.

A worker at the Michelin tire factory in 1925. (Roger Viollet/Getty Images)

MATURE WEALTH

Their success with the pneumatic bicycle tire inspired the brothers to develop pneumatic tires for carriages. By this time, André was in Paris devoting himself to advertising and promoting the company's products, while Édouard stayed in Clermont-Ferrand and directed the research and development of the tires. In 1893, André presented his case for pneumatic tires to the Paris Society of Civil Engineers. Most of his listeners were skeptical, but André insisted that the tires could handle nails, glass, and other road hazards and if punctured were quickly repairable. Although there were very few automobiles in France at the time, the Michelins began developing a pneumatic tire for these vehicles. By 1895, the company had produced a pneumatic automobile tire. André advertised the tire by entering three cars with Michelin tires in a 750-mile race. The Michelin brothers drove one of the cars, an Éclair, which finished ninth.

The Michelins were not the only ones producing pneumatic tires in France. In view of this increasing competition, André saw the need to draw the public's attention to the company's tires. In 1894 at the Lyon Fair, Édouard, looking at a stack of tires, had remarked that it almost looked like a person. André took this idea and envisioned what was to become the Michelin Man. In 1898, he hired the French artist Marius Roussillon to draw a man made of tires. André had already described the Michelin tires as gobbling up obstacles, so a poster was created depicting a man made of tires raising a champagne glass filled with nails and glass. The poster's caption was the Latin phrase *Nunc est bibendum* (time for a drink). André's promotional tactic was extraordinarily successful. The tire man, referred to as Bibendum, became a folk hero throughout Europe and eventually throughout the world. In addition to the posters, at the 1898 Paris Bicycle Show there was a large cardboard Bibendum figure, behind which André had stationed a comedian, so visitors to the show were able to talk to Bibendum.

André also realized the need to promote increased use of the automobile for tourism. Greater use of cars meant more tire sales; therefore, in 1900, he began publishing the free *Michelin Guide* to aid tourists traveling in automobiles by providing useful information about restaurants, hotels, service stations, and mechanics. The restaurant feature of the guides was extremely popular, and in 1920, André began having anonymous inspectors make repeated visits to restaurants before includ-

The Michelin Guides

The first *Michelin Guide* was published in August, 1900. André Michelin was in charge of his company's advertising department and responsible for promoting the firm's pneumatic tires. He created the guide as a means of encouraging the use of the automobile for tourism.

The early guides were blue. Michelin's first guide contained maps, as well as information about hotels, restaurants, service stations, tires, their repair, and where to find mechanics. The first guide was approximately four hundred pages long, and thirty-five thousand copies were printed and made available free of charge. The famous pictographs giving pertinent information about hotels and restaurants were already a feature of the guide. By 1904, Michelin was publishing his first guide for tourists traveling outside France, the *Michelin Belgium Guide*. In 1908, Michelin added another service for travelers as the company opened a bureau of itineraries in its Paris office, where, in addition to the guide, a tourist traveling by automobile could obtain a free travel itinerary. In 1910, the company began publishing road maps. However, during World War I (1914-1918) no guides were published.

In 1920, the guide's color was changed from blue to red, a list of Parisian hotels was added, and the guides were no longer free. It is believed that Michelin began charging for the guide after he found a stack of his guides being used to support a workbench at a tire merchant's store. Michelin published an additional guide that year, the *Illustrated Michelin Guide to the Battlefields, 1914-1918*, with photographs of the areas damaged in World War I. In 1926, Michelin introduced the use of one star to indicate a good restaurant; three years later, a satisfaction questionnaire was included in the guide; and in 1931, Michelin initiated a three-star system for rating restaurants in the French provinces. After Michelin's death in 1931, the company continued to add features to the guide and eventually published other guides. In 1933, Paris restaurants were also evaluated by the three-star system.

During World War II, no guides were published; however, the Michelin guide played an important role in the liberation of France. In 1939, the Michelin company reprinted its annual guide in Washington, D.C., and these guides were distributed to military officers and marked "For official use only." These guides later helped military personnel identify towns and other geographical features when the Allied armed forces invaded France. After the liberation of Paris, Michelin supplied the Allies with more than two million maps of northern and eastern France, Belgium, and Germany in order to facilitate the Allied invasion. By the spring of 1945, Michelin was once again publishing the guide.

The Michelin guides contributed significantly to increased automobile tourism and consequently to increasing the market for tires, as André Michelin had intended. The guides were also the beginning of a profitable and significant supplemental business venture for the Michelin company. In the twenty-first century, the Michelin Group published the *Red Guide* for hotels and restaurants, the *Green Guide* for tourist attractions, *Bib Gourmand*, *Bib Hôtel*, and road maps. It also maintained viaMichelin.com, a Web site that assisted tourists with their travel plans.

ing them in the guide. André soon found additional ways to increase the visibility of the Michelin name and to encourage automobile travel. In 1908, he began funding a program to erect road signs. Michelin's enameled signs gave automobile travelers pertinent information, and all carried the Michelin name. He continued to improve the signs. In 1918, he erected the first *borne d´angle* signs; grouped together on one pole, these signs provided all the information the traveler needed. With his brother Édouard, André continued to head the Michelin company until his death on April 4, 1931.

Legacy

André Michelin was a creative and astute entrepreneur, who through his innovative advertising techniques contributed to the success of one of the major tire manufacturing companies in the world. Michelin was devoted to making the family business succeed and to selling tires. His marketing techniques made significant contributions to the development of France's tourist industry. His original *Michelin Guide* provided a new concept of traveling. People were encouraged to explore France in their automobiles with guidebook in hand. As Michelin used his wealth to expand the family business, he significantly enriched the daily life of French people, using his products to promote the French countryside, cuisine, culture, and history.

—*Shawncey Webb*

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See also: Walter P. Chrysler; Chung Ju Yung; John F. Dodge; Harvey Firestone; Henry Ford; Soichiro Honda; Alfred P. Sloan.

Midas

Phrygian king

Midas's legendary golden touch served to explain why the Pactolus River bore gold and came to be a moralistic example of how greed can ruin a person's life.

Born: 738 B.C.E.; Anatolia (now in Turkey)
Died: 696 /695 B.C.E.; Anatolia
Also known as: Mita of Mushki
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Unknown

Early Life

The Midas (MI-duhs) of mythology seems to be based on a real person, King Mita of Mushki, a kingdom located in Anatolia. Midas was believed to be either the son or the adopted son of the goddess Cybele; his father was named Gordias. The names Gordias and Midas alternated in the family. Nothing is known of the early life of either the historical or the mythological figure.

First Ventures

Midas appears to have been the founder of a dynasty in what is now central Turkey, known in antiquity as Phrygia. Assyrian records describe him as an upstart. The historian Herodotus mentions a grandson of Midas who was active in the Phrygian region around 600 B.C.E. and was known for his garden of roses. Midas was the first non-Greek ruler to make gifts to the sanctuary of Apollo at Delphi. Herodotus records that Midas gave the sanctuary his royal throne, which was an object well worth seeing.

Mature Wealth

The historical King Mita seems to have acquired a great deal of wealth through his conquests, as evidenced by the size and grandeur of his tomb. In the mid-1950's, a tomb near the ancient city of Gordion was excavated and is now thought to be the burial place of the historical Mita. The tomb is the earliest known intact wooden structure in the world. The body in the tomb is that of a man approximately sixty years of age, and the tomb dates from about 700 B.C.E. The rich contents of the tomb—although there is nothing made of gold—accord well with stories about the wealth of Midas's dynasty, and Assyrian records mention a "King Mita" living in that area at that time. The site of the tomb was staged as a funeral banquet, most likely re-creating the banquet that Mita's followers celebrated at the time of his death. More than 150 drinking cups of various sizes were arranged around a banquet table, the largest set of Iron Age drinking vessels ever found.

The mythological Midas was granted his golden touch by the god Dionysus. Dionysus wanted to show his appreciation to Midas for taking care of the old satyr Silenus, a companion of Dionysus, so Dionysus granted Midas one wish. Midas wished that everything he touched would turn to gold, and his wish was granted.

However, the gift of the golden touch proved disastrous when Midas's food turned to gold as soon as he laid hands on it. A much later version of the myth adds the detail that Midas's daughter became a golden statue when he touched her. Midas came to despise his golden touch.

In despair, he asked Dionysus to remove what he now saw as a curse. The god told him to bathe in the Pactolus River. The sands of the river took on the golden touch as it washed out of Midas.

After he lost the golden touch, Midas became a worshipper of the woodland deity Pan. When Pan challenged Apollo to a musical contest, all the judges except Midas awarded the prize to Apollo. For this insult to Apollo, Midas was given the ears of an ass. He kept his ears hidden under a turban, but his barber knew the secret. The barber finally could contain himself no longer and whispered the secret among some reeds, which revealed it every time the wind blew.


King Midas sees his daughter turned to gold. (©Bettmann/CORBIS)

Legacy

The legacies of the mythological King Midas are the myths that surround his name. The legend of the king's golden touch is clearly an etiological myth, explaining the great wealth of Midas and his dynasty. Today, the primary association most people make with the name of King Midas is the moral of the cautionary tale of his "golden touch": that overvaluing material wealth can deplete life of what makes it truly worth living.

—*Albert A. Bell, Jr.*

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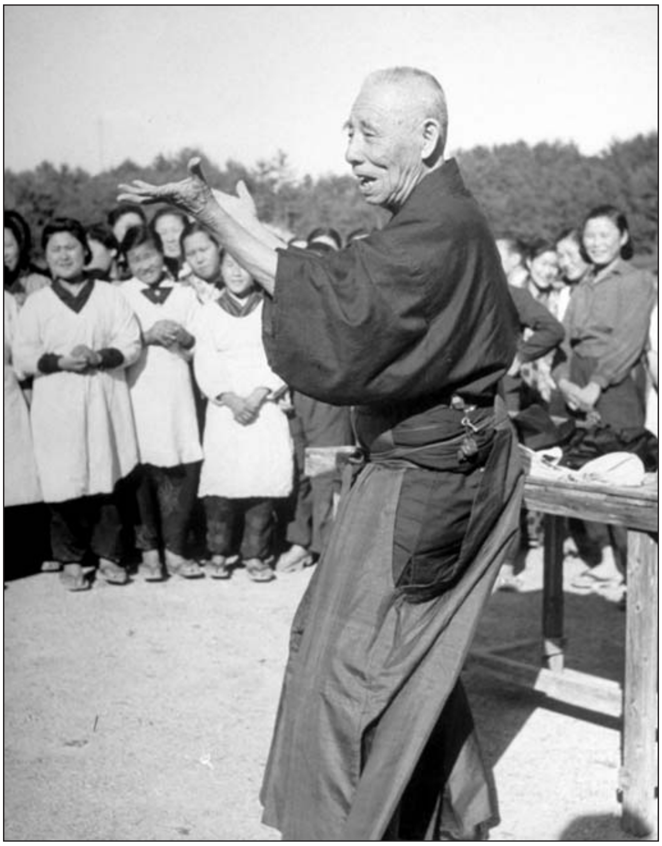
See also: Croesus; Hipponicus II; Marduk-nāsir-apli.

KOKICHI MIKIMOTO
Japanese inventor and jeweler

Mikimoto worked with infinite patience to develop a perfectly round cultured pearl in order to appeal to persons with a high degree of aesthetic sensitivity and appreciation of beauty.

Born: January, 1858; Toba, Shima Province (now Mie Prefecture), Japan
Died: September 21, 1954; Near Nagoya, Aichi Prefecture, Japan
Also known as: Mikimoto Kokichi; The Pearl King
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Unknown

EARLY LIFE
Kokichi Mikimoto (koh-kee-chee mee-kee-moh-toh) was born in January, 1858, in Toba City in the Shima Province (now the Mie Prefecture), Japan. The eldest son of a noodle shop owner, he dropped out of school at age thirteen and sold vegetables to help support the family. He became fascinated with pearls when he watched pearl divers at work. He married Uma, a devoted supporter of all of his ventures, even when the outlook was bleak; she died at age thirty-two.



Kokichi Mikimoto entertains workers at his factory in 1946. (Hulton Archive/Getty Images)

FIRST VENTURES
In 1888, at the age of thirty, Mikimoto used a loan to start a pearl farm on Ago Bay. Two years later, he met a marine biologist and professor at Tokyo University, Kakichi Mitsukiri, who introduced the idea of experimenting with artificially culturing Akoya oysters. At first, there was little sign of development, and, to make things worse, a dreaded "red tide" plankton epidemic struck, destroying almost all of his harvest. Although this disaster drove him close to bankruptcy, Mikimoto was doggedly determined to continue, and in July, 1893, his efforts were rewarded when he found a semispherical pearl. He had received patents for producing hemispherical pearls (mabe pearls) and for introducing the irritant into mantle tissue of the oyster, so he applied now for a patent for a technique to make round pearls.

MATURE WEALTH
In 1899, Mikimoto opened his first store on the Ginza in Tokyo, offering natural seed pearls and half-round pearls. His big break came in 1905, when he finally produced a perfectly round pearl. He never passed up an opportunity to enter exhibitions in order to give his pearls visibility. In 1913, Mikimoto began selling his pearls internationally when he opened stores in London. At the 1926 Philadelphia World Exposition, he displayed a pearl-covered replica of the Liberty Bell.

By 1935, there were 350 pearl farms in Japan, producing ten million cultured pearls annually, glutting the market and resulting in plunging prices. Mikimoto countered by seeking more European and American markets. To boost his reputation, he publicly burned tons of inferior pearls to emphasize that he sold only top-quality pearls and to let people know that economic declines would not deter his company from selling only the best merchandise. After World War II, shops opened in Paris, New York, Chicago, Boston, Los Angeles, San Francisco, Shanghai, and Bombay, making the Mikimoto cultured pearl among the first to gain an international reputation.

Around 1946, Mikimoto posted the largest income in Japan, having gained a profit of some 3 million yen ($200,000 in 1940's dollars); much of this revenue came from selling pearls to Americans who were stationed in Japan after World War II. He went on to become the third-wealthiest person in Japan. Shortly before his death, the Japanese government awarded him the Order of Merit (First Class), and he was posthumously granted the Grand Cordon of the Order of the Sacred Treasure.

Legacy

If one word could describe Kokichi Mikimoto's reputation and lasting legacy, it would be quality. Only about 5 percent of the pearls produced by the Mikimoto company measure up to the firm's standards. At times during Mikimoto's years of research to find a way to produce a perfectly round pearl, there were allegations that his pearls were not real but were imitations. French courts finally ruled that Mikimoto pearls, produced by scientifically stimulating oysters, were in no way imitations. His Mikimoto Pearl Island, with its forty-one thousand acres of oyster beds, became an internationally known and tangible reminder of the source of the vast numbers of pearls that grace the apparel of women or provide decoration on objects all over the world, all because the Pearl King refused to give up on his goal to promote the appreciation of beauty with only top-quality products.

—*Victoria Price*

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See also: Giorgio Armani; Jan Antonín Bat'a; Ralph Lauren; Philip Rundell; Charles Lewis Tiffany; Shantidas Zaveri.

Michael Milken

American bond trader and financier

Milken made a fortune promoting and selling junk bonds and pioneered the packaging of these bonds. Imprisoned for securities violations, Milken came to represent both the financial innovations and the greed of the 1980's.

Born: July 4, 1946; Encino, California
Also known as: Michael Robert Milken
Sources of wealth: Financial services; investments
Bequeathal of wealth: Charity

Early Life

Michael Robert Milken was born on July 4, 1946, in Encino, a Los Angeles suburb. He was enthusiastic and hardworking, and his mother pushed him to succeed. His father worked for an accounting firm, and at age ten, Milken watched his father prepare income tax returns. During tax season, he checked his father's math; later, he helped prepare tax forms.

Milken attended the University of California at Berkeley, majoring in business administration after transferring from the mathematics department. He graduated summa cum laude. He then married his high school sweetheart and pursued a master's degree in business administration at Wharton, the business school of the University of Pennsylvania. Milken chose Wharton because it let students substitute business experience for class work and offered him a $1,000 fellowship.

While Milkin was at Wharton, the investment banking firm of Drexel Harriman Ripley hired him to make its "back office" (or non-income-generating operations) more efficient. His efforts saved Drexel $500,000 annually. He was rewarded with a full-time job as a bond researcher in Drexel's Wall Street office when he graduated from Wharton in 1970. Because his wife was pursuing a degree at the University of Pennsylvania, Milken stayed in Philadelphia and commuted to New York. His preferred mode of transportation was the bus. Although the bus was much slower than the train, Milken could read company reports undisturbed by other Wall Street professionals during his commute. Soon he was named head of bond research at Drexel.

First Ventures

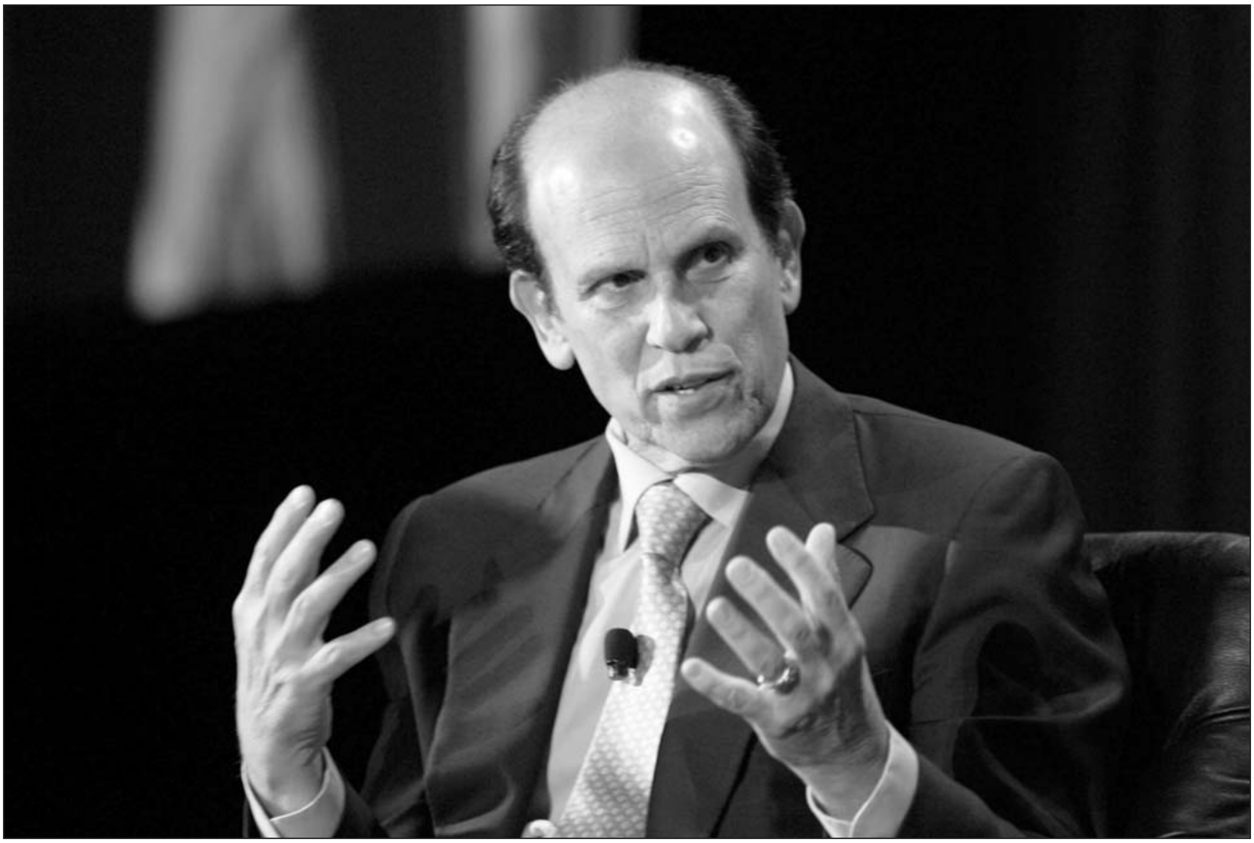
Milken first became interested in bonds while at Berkeley after reading W. Braddock Hickman's *Corporate*

Bond Quality and Investor Experience (1958), a study of bond yields from 1900 to 1943. The book influenced his work at Drexel. A bond is essentially an IOU (or an acknowledgment of debt) from a firm or a government that is sold to raise money for these entities. Bond-rating agencies, such as Moody's Investors Service and Standard & Poor's, give each bond a letter grade indicating its quality. The highest grades are generally given to governments and the major corporations that are flush with cash; lower grades mean that borrowers must pay higher rates to repay their debt obligations. Making things more difficult, in the 1970's there was no exchange market for low-grade or junk bonds and no published record of the bid and ask prices for these bonds. This made it hard to know the price for which these bonds should sell.

Milken's big opportunity came when Drexel gave him $2 million and the authority to trade bonds on the company's behalf. Milken would keep 35 percent of any profits from his department, which he would divide among his staff. In 1973, the other employees at Drexel broke even; Milken doubled the money the firm gave him and was responsible for Drexel's $2 million in reported profits.

In 1977, when his father was diagnosed with cancer, Milken requested a move to California in order to be near him, arguing he could do his job from there since most of his day was spent on the telephone. Drexel let him move his department to Beverly Hills. Milken would arrive at the office at three o'clock in the morning to prepare for the nine o'clock opening of the New York bond market and would stay at work until eight o'clock or later in the evening.

Beginning in 1977, several small and medium-sized firms approached Milken because they could not get an investment-grade rating, and without such a rating they could not sell their bonds and obtain the necessary capital to expand. Milken sold their bonds, claiming that high-yield bonds were less risky than credit raters believed. These sales of so-called junk bonds helped new ventures, like MCI and Turner Broadcasting, get started. Milken earned huge fees for each deal. Becoming even more aggressive, Milken argued that junk bonds were



Michael Milken speaks at a conference in 2010. (Bloomberg via Getty Images)

The Milken Family Foundation

The Milken Family Foundation was established in 1982 by Michael Milken and his brother Lowell. It is a nonprofit organization based in Santa Monica, California. The mission of the foundation is to assist people so they are able to help themselves and lead productive lives. The foundation advances its mission mainly through projects in two areas, education and medicine. Its education work seeks to develop and reward outstanding educators and to stimulate creativity and productivity among young people. Its medical work supports basic and applied medical research and programs that promote basic health.

To further these objectives, the foundation funds a number of initiatives. The National Educator Award gives $25,000 to elementary and secondary schoolteachers who further excellence in education. Mike's Math Club uses cartoon characters like Detective Duck, Decimal Dalmation, and Professor Panda to show that math can be both useful and fun. The Milken Scholars Program provides financial assistance for undergraduate education to young men and women based on their academic performance, community service, and demonstrated ability to triumph over obstacles. The Teacher Advancement Program seeks to attract, develop, and reward high-quality teachers for U.S. schools.

The foundation also sponsors the Milken Institute, a nonprofit economic think tank chaired by Milken himself. Institute scholars publish papers on global and regional economics, human capital, and capital markets. The institute favors the "democratization of capital" and market-based solutions to the world's economic and social problems. For example, it has called for loan pools (similar to the junk bond pools that Milken developed) to buy loans made to minority businesses. Greater marketability of these loans would increase lending to these businesses, thereby expanding the ownership of capital. Each year, the institute sponsors a global conference in Los Angeles that attracts more than three thousand academics and decision makers from around the world.

relatively safe as part of a diverse portfolio, and that a portfolio of high-yield bonds outperformed blue-chip bonds by 4-5 percent a year, even allowing for defaults. Junk bonds would thus earn investors a greater return without greater risk.

Milken then began creating and selling packages of high-yield bonds. Pension funds and life insurance companies bought large quantities of these bonds, attracted by the high yields. So did banks after deregulation in the early 1980's allowed them to own more low-rated bonds.

Drexel sold $125 worth of new junk bonds in 1977, acquiring 25 percent of the market; the following year, Drexel old $440 million worth, $300 million more than its nearest competitor. By 1983, the firm's sales reached $4.9 billion, or 70 percent of the entire market.

In the 1970's, Milken also made a great deal of money for himself by personally investing in junk bonds. He bought Penn Central Railroad bonds for pennies on the dollar when it appeared the rail line would go bankrupt. When the company turned around, he redeemed the bonds for much more money than he paid for them.

Mature Wealth

In 1982 and 1983, Drexel decided to expand its junk bond business into mergers and acquisitions, thereby financing leveraged buyouts (LBOs) and hostile takeovers. Milken's view on this policy change is unclear. Some people claim he opposed it because he knew Wall Street would frown on corporate raiding. On the other hand, Milken was making more than $100 million per year and would do considerably better if Drexel's bond business expanded. In an LBO, a firm borrows money by issuing bonds and uses the proceeds to buy the stock of its target company. In a hostile takeover, investors issue bonds and buy enough stock in one company to become a nuisance to management, thus requiring that these investors be bought out at a premium. In both cases, the most difficult part of these transactions is selling the bonds.

Milken sold the junk bonds that sparked many takeovers during the 1980's. He financed T. Boone Pickens's attempt to take over Gulf Oil, Saul Steinberg's bid to buy the Walt Disney Company, Carl Icahn's takeover of Trans World Airlines (TWA), and Ronald Perelman's takeover of Revlon. Since Milken was the major junk bond dealer, he dominated the market, which gave him the power to fix prices. He also knew which companies would soon become targets of corporate raiders and see their stock prices soar, which led to charges of insider trading.

Milken had been under scrutiny from the Securities and Exchange Commission (SEC) since the late 1970's because of unethical and illegal behavior in his bond department at Drexel. Author James Stewart claims that Milken often received higher markups on bond sales than what was permitted at the time. In July, 1985, Drexel's main merger and acquisitions person was arrested for insider trading. Then in May, 1986, Dennis Levine, part of Milken's team, was arrested for insider trading. Levine told the SEC that he could deliver bigger players—

Milken and Ivan Boesky—who were engaged in insider trading regarding mergers and acquisitions. Boesky pleaded guilty to a single felony, was fined $100 million, and promised to testify against Milken. Finally, in November, 1988, two traders agreed to testify against Milken in exchange for immunity from prosecution.

The government prosecutor, U.S. Attorney Rudy Giuliani (soon to be mayor of New York), demanded that Drexel withhold Milken's 1988 compensation and pay a $750 million fine. Milken sought to keep Drexel from settling, but Giuliani threatened to indict Drexel under the Racketeer Influenced and Corrupt Organizations (RICO) Act. This statute would have allowed the government to freeze Drexel's assets and likely would have forced the firm into bankruptcy. On December 21, Drexel's board of directors voted to plead guilty and pay a $650 million fine. However, this created financial problems for Drexel, leading to its bankruptcy in February, 1990.

Once Giuliani settled with Drexel, he went after Milken, wanting him to plead guilty to two counts and pay a $250 million fine. On March 29, 1989, ninety-eight indictments were brought against Milken and his brother Lowell, including fifty-four charges for mail fraud, thirty-three counts for securities fraud, and additional allegations of filing false income tax returns, committing RICO crimes, and assisting in the preparation of a false tax return.

Although Milken was inclined to fight the indictment, two factors led him to agree to a plea bargain: First, the Federal Bureau of Investigation (FBI) interviewed his grandfather, who was badly shaken by the experience. Second, although his brother urged him to fight the government, Milken decided to plea bargain to save his brother.

On November 21, 1990, Milken was sentenced to ten years in prison and eighteen hundred hours of community service and was fined $600 million. Sentencing guidelines for his crime were three to four years in prison. Later, he agreed to pay $500 million to settle civil lawsuits, including one by the Federal Deposit Insurance Corporation (FDIC), which held him responsible for its having to bail out banks that bought failed junk bonds.

In March, 1991, Milken entered the Pleasanton, California, minimum security prison, where he worked mopping floors and tutoring other inmates seeking a high school equivalency diploma. Because he was a model prisoner, his jail time was reduced to two years. He was released from prison in September, 1992, after serving just eighteen months when he was diagnosed with prostate cancer.

Legacy

Milken remains one of the most controversial figures in American financial history. His defenders regard him as a financial genius for revolutionizing the use of junk bonds and believe he was made a scapegoat to further Giuliani's political career. Critics see in Milken everything that is wrong with Wall Street, charging that he is someone who used his financial knowledge and power to enrich himself and his associates, while ignoring the negative consequences of defrauded customers and firms destroyed by corporate raiders. Whatever one thinks, Milken will be forever associated with the go-go 1980's, when he made junk bonds popular and promoted them as a means of corporate raiding.

—*Steven Pressman*

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See also: Bernard Cornfeld; Carl Icahn; Reginald F. Lewis; T. Boone Pickens; Charles R. Schwab.

Mitsui Takahira

Japanese merchant and banker

Mitsui Takahira supported his father in building what became the wealthiest merchant and banking enterprise of feudal Japan. After his father's death, he diligently expanded the company and prudently organized it as an extended family venture, giving it a sound organizational structure that ensured its survival as a family business until 1945.

Born: 1653; Matsusaka, Ise Province (now in Mie Prefecture), Japan
Died: November 27, 1737; Kyōto, Japan
Also known as: Takahira Mitsui, Choshiro Echigoya
Sources of wealth: Inheritance; trade; banking
Bequeathal of wealth: Children; relatives

Early Life

Mitsui Takahira (miht-soo-ih tah-kah-hih-rah) was born in 1653 in the bustling port city of Matsusaka (also spelled Matsuzaka) in Japan. His father, Mitsui Takatoshi, and his mother, Jusan, ran a sake brewery and a moneylending venture. The Mitsui family were descendants of samurai, but Takahira's grandfather, Mitsui Sokubei, had become a merchant. From feudal times until 1868, the Mitsui family was publicly known as Echigoya, named for their original hometown. Thus, Mitsui Takahira, the oldest boy of eleven sons and five daughters, was first known as Choshiro Echigoya before he was given the adult name of Takahira, privately using the surname Mitsui.

At seven, the boy was enrolled in a *terakoya*, or private school, to learn arithmetic, reading, writing, morals, and manners for seven years. His father strictly evaluated the talents of his sons for business, accepting only six out of eleven for such a career. Takahira passed his father's evaluation. At age fourteen, in 1667, he was sent as an apprentice to the drapery store of his uncle Mitsui Toshigutsu in Edo (now Tokyo).

First Ventures

Takahira successfully learned the family business, which was based on buying valuable cloth, such as Nishijin brocade, in Kyōto for resale in the new capital of Edo. When Mitsui Toshigutsu died in 1673, Takahira's father moved to Kyōto with his six sons deemed fit for the family business and launched his own enterprise. To get a foothold in the competitive Edo market, Takahira advised his father to rent a house there and turn it into a shop later, and the plan succeeded. At twenty, Takahira became manager of his father's store in Kyōto. He was the buyer of Nishijin brocade and other silk fabrics that were sold in his father's new store in Edo that opened in 1673.

Takahira and his father developed the business strategy to buy cloth fabric in Kyōto whenever the prices were the lowest, regardless of how much fabric they maintained in their store. In Edo, they revolutionized the business by selling cloth for cash only, but in any size a customer wanted, rather than the standard full-size order. Father and oldest son worked together so well that Takahira acquired the honorific nickname of Hachiroemon, or helper of his father Takatoshi Hachirobei. Much later, this name became the official title of the head of the Mitsui family business.

Mature Wealth

In May, 1683, Takahira's father opened a full bank in Edo, called Mitsui Ryogayedana or Mitsui exchange house, and moved the drapery store to a better location next to the new bank. Soon, Mitsui bank branches opened in Kyōto, where Takahira worked, and Ōsaka. For political protection, in 1687, the Mitsuis earned an appointment as the shogun's supplier for cloth, which was prestigious but not necessarily lucrative as the shogun, Tokugawa Tsunayoshi, could be an irregular payer. Takahira was entrusted with managing this business relationship. He worked so well that in 1688, the Mitsui family became the purveyors of apparel, ornaments, and personal accessories to Tokugawa Tsunayoshi.

In 1691, Takahira and his brother managing the Edo bank were among the twelve fiscal agents, or *goyo shonin*, whom the shogun entrusted with handling his revenue flow. Takahira and his brother, like the other agents, accepted the taxes paid for the shogun in gold and silver in Ōsaka, and later paid the shogun this amount in cash in Edo. Rather than physically transferring the gold and silver along the three-hundred-mile-long bandit-infested Tokaido highway linking Edo with Kyōto through Ōsaka, the fiscal agents lent the tax money to merchants in Ōsaka. With this cash advance, the merchants bought wares in Ōsaka. When the merchants sold their goods in Edo, they paid back the fiscal agents there in cash, so the agents had gold and silver to deliver to the shogun. Takahira and his brother had to select trustworthy merchants to whom they would lend the tax money, and the brothers earned interest on these loans, which could be substantial. The shogun expected the cash payment in Edo within 60 days after tax collection in Ōsaka, later expanding the deadline to 150 days. This gave the bankers some time to make loans at interest on the money collected.

In becoming a fiscal agent of the shogun, Takahira reached the highest social position available to a merchant. He attended the shogun's family New Year's Day reception. With his brother from Edo, and later adding a brother from the Ōsaka bank branch, Takahira formed an association that became the Mitsui-gumi, or Mitsui union.

When his father died in 1694, Takahira became head of the Mitsui family at age forty-one. The cash part of his inheritance alone was 81,000 ryo gold coins. With one ryo containing about one-half of an ounce of gold, the almost forty-three thousand ounces would have been worth about $43 million in 2010 dollars. The purchasing power in Takahira's time was considerably larger than this conversion indicates.

Takahira fully agreed with his father's unusual decision to bequeath this impressive fortune not to his eldest son alone but to include next to Takahira, as head of the senior house, the families of the five other sons engaged in business and three associate families. Thus, Takahira headed a confederated family empire of nine "houses," as the families making up the Mitsui union were called. This enabled the Mitsui family to pool their resources and keep their fortune intact. In 1708, Mitsui Takahira also established trading relationships with the Dutch merchants at Nagasaki. These merchants' capital reserves saved Takahira in 1709, when the shogun suddenly demanded the immediate payment of all outstanding taxes collected in Ōsaka. Unlike others, Takahira could pay the shogun and avoided bankruptcy.

In 1710, Takahira acted on the advice of his young manager Sousuke Nakanishi and established the Omotokata system of an overall corporate headquarters for the separate family businesses of trading and banking. Corporate leadership lay with the three Mitsui family members heading the Kyōto, Edo, and Ōsaka branches, as well as with two nonfamily managers; they met once or twice a month and oversaw the semiannual and three-year settlement of corporate accounts. Takahira continued his father's system of division of labor and bonus payments for top employees.

Takahira also began work on house and company rules based on the ideas promulgated in his father's will. To his own son Mitsui Takafusa, who was born in 1684, Takahira told cautionary tales of fifty-five failed fellow businessmen, including two uncles. Takafusa wrote the stories down in the manuscript *Chonin*

The Mitsui Clan Rules

Like his father before him, Mitsui Takahira sought to keep intact for future generations the vast Mitsui family fortune that was earned through trading and banking. Mistakenly thinking he would soon die, in 1722 Mitsui Takahira wrote out an elaborate will, *Sochiku Isho*, that was really a kind of family constitution based on the house rules of samurai families, which the Mitsui family had been before becoming merchants. He based this will on that of his own father, Mitsui Takatoshi, who wrote his will in 1694.

Takahira's document stresses the importance of family unity for business success. Although the business has a senior house, the five main houses established by his brothers and the three associated houses each get a fair share of the overall wealth to avoid infighting. There are also provisions for worthy employees and dependents. An important provision stipulates that most of the accumulated wealth is to be kept intact and not distributed, in essence maintaining the capital stock.

Reflecting the insecurities of the Tokugawa feudal era in Japan, there is a large emphasis on keeping adequate fiscal reserves at various levels of security. The highest reserve is cash literally kept in the cellar vault. This emphasis on reserves more than once saved the Mitsui business from bankruptcy.

There are also provisions to deal with family members unfit for business for a variety of reasons, ranging from moral turpitude to profligate ways. In most cases, the penalty assigned to the offender is to join the Shinto priesthood, where he could not harm the family business and its reputation.

Mitsui Takahira's will ruled the relations of the vast Mitsui clan without any alterations until July 1, 1900, when it was slightly modernized. The Mitsui family kept the will secret but published an abridged and edited version of it in English in 1926 and 1933. In 1941, Baron Takaharu Mitsui published large excerpts of the will in German in a scholarly journal. His passages exceed the text of the will that the Mitsui family handed over to the Allied authorities in 1945, and also that of the supposedly complete version given to an American scholar in 1949 and published again in 1973. The family may have kept some portions confidential.

koken-roku (wr. 1719, pb. 1941; merchant's observations), which became popular among the Mitsui family and their business friends. Takahira's diligent leadership saved the Mitsui business during four challenging years from 1720 to 1724.

Believing his death was near, in 1722 Mitsui Takahira took the Buddhist name of Sochiko and wrote his famous will, *Sochiku Isho* (wr. 1722; will of Sochiko). This document spelled out the rules of conduct for the members of the houses of Mitsui, seeking to instill family harmony and building a cofraternal partnership among all family branches. The will also offered sound business advice, reminding the family they were in the business as merchants and admonishing them not to lend to daimyos, as these powerful aristocrats rarely paid back their loans.

Mitsui Takahira lived for another fifteen years after his will was written. He died on November 27, 1737, at age eighty-four. He greatly increased the Mitsui wealth. His tomb was erected in the Mitsui family graveyard at the Tendai Buddhist Shinnyo-do temple in Kyōto.

Legacy

Mitsui Takahira successfully consolidated and expanded the family business to conform with his father's wishes for permanence and flexibility. As Takahira shunned all ostentatious display of the wealth that made him one of the richest men in Japan, he also escaped the inevitable envy or persecution suffered by more flamboyant merchants at the hands of samurai, their masters the daimyos, or by shogunate officials. He successfully bequeathed the family business strategy of cooperation with the government while never forgetting the focus of a merchant's life—the earning of money.

Takahira's thoughtful organization of the family business contributed to the unbroken success of the Mitsui family enterprise until Japan's defeat in World War II in 1945. By 2009, the Mitsui Group was still a strong corporate entity in Japan, even though the Mitsui family no longer controlled its operations.

—*R. C. Lutz*

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See also: Iwasaki Yataro; Mitsui Takatoshi; Yasuda Zenjirō; Yodoya Tatsugorō.

Mitsui Takatoshi

Japanese merchant and banker

Mitsui Takatoshi laid the foundations for what would become one of Japan's world-renowned zaibatsu, or large family-controlled conglomerates.

Born: 1622; Matsusaka, Ise Province (now in Mie Prefecture), Japan
Died: 1694; Edo (now Tokyo), Japan
Also known as: Mitsui Hachirobei Takatoshi; Takatoshi Mitsui
Sources of wealth: Trade; government
Bequeathal of wealth: Children

Early Life

Mitsui Hachirobei Takatoshi, better known as Mitsui Takatoshi (miht-soo-ih tah-kah-toh-shee) was the second of four sons of Mitsui Sokubei, a shopkeeper who sold sake (rice wine) and miso (fermented soy bean paste) in addition to running a pawn shop in Matsusaka. Mitsui Takatoshi's mother, Shohou, may be credited with much of the success of the family business. The daughter of a successful merchant, she was well acquainted with running a business. Mitusi Sokubei, however, who had been born into a samurai (warrior) family, is said to have had little interest in business matters.

First Ventures

When Mitsui was fourteen, the family moved to Edo (now Tokyo) and opened another shop. By this time, Mitsui had already proven to have an unusual talent for business. In time, two of his brothers, Mitsui Toshigutsu and Mitsui Shigetoshi, joined him. They established a *gofukuya* (kimono store) called Echigoya in the Nihonbashi area of central Edo. In the traditional kimono shops, employees called on customers in their homes, taking fabric samples and measuring the clients for custom-made kimonos, for which the shop was paid upon delivery of the product. Mitsui Takatoshi instigated a new practice of making and selling a selection of ready-made kimonos that customers purchased at his shop. During this time, the government of the city of Edo also gave Mitsui some business. Before long, the earnings of his company had increased sixteenfold. When he was twenty-eight, he had a falling out with his elder brother primarily because his brother was jealous of Mitsui's exceptional business acumen. The argument resulted in Mitsui returning to Matsusaka, where he married the fifteen-year-old daughter of a tradesman and cared for his ailing mother.

Mature Wealth

After his return to Matsusaka, Mitsui established a new business, biding his time until the day he could return to Edo. That opportunity came when his elder brother died in 1673. At age fifty-two, after spending twenty-four years in "exile," he returned to Edo and opened a store. His success enabled him to expand into various banking services. The regional feudal governments had been plagued by thieves, who stole cash tax payments while government officials were en route to Edo. Mitsui set up a chain of money exchange shops in which officials could safely transfer their tax revenues. By 1691, various members of the Mitsui family were being appointed *goyo shonin* (chartered merchants) by the Tokugawa shogunate. This appointment came with large-scale political influence, and the Mitsui-ke (house of Mitsui) grew to become the largest Japanese merchant company during the Tokugawa period (1603-1867). Mitsui died in 1694 in Edo.

Legacy

Mitsui Takatoshi exerted a profound legacy on the economic history of Japan and of other countries. While figures listing the dollar amount of his wealth are unavailable, his legacy goes far beyond these indications of wealth. He was influential in introducing into his company the practice of advertising and of giving promotions to employees. Not the least of his contributions to the future success of the house of Mitsui was his part in establishing regulations to ensure the survival of what would become one of the giant conglomerates in Japan. These regulations included limiting the number of beneficiaries who could share in the company, forbidding certain kinds of excesses, setting rules for choosing the wives of their offspring, limiting the amount of debt they could incur, and defining the profile for employees. Although tremendous changes took place after Mitsui's death, he undoubtedly provided the foundation for what would become, centuries later, a conglomerate of multinational corporations with a global network of more than 150 offices in sixty countries, with hundreds of subsidiaries.

—*Victoria Price*

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See also: Iwasaki Yataro; Mitsui Takahira; Yasuda Zenjirō; Yodoya Tatsugorō.

Moses Montefiore

British banker

Montefiore's wealth enabled him to advance in English society further than any Jew had previously. He became one of the best-known Jews of the nineteenth century, and his example helped foster Jewish acceptance in Christian society.

Born: October 24, 1784; Livorno (now in Italy)
Died: July 28, 1885; near Ramsgate, Kent, England
Also known as: Sir Moses Haim Montefiore, Baronet
Sources of wealth: Banking; investments
Bequeathal of wealth: Charity

Early Life

Sir Moses Haim Montefiore, Baronet, better known as Moses Montefiore (mon-teh-FYOR-ee), was born in 1784 to London businessman Joseph Elias Montefiore and his wife Rachel, who was from the Moccata family of London-based Sephardic Jewish bankers. Montefiore was born on a family visit to Livorno, Italy, where his paternal grandfather had lived before moving to London around 1750. He was educated privately. Subsequent evidence of Montefiore's lax religious observance during his early adulthood indicates that his upbringing and education did not heavily emphasize Jewish piety. He worked for a tea company in London, and he was admitted to the London Stock Exchange in 1803.

First Ventures

Montefiore's early career on the stock exchange was not auspicious. In 1806, he was defrauded, incurring debts it would take nearly a decade to pay off. His fortunes began to improve after June 10, 1812, when Montefiore married Judith Cohen, the daughter of Levi Barant Cohen and the sister-in-law of Nathan Mayer Rothschild. These connections to London's Jewish business elite proved the making of his fortune. Montefiore was particularly advantaged because he was a Sephardic Jew, and his new wife was an Ashkenazic Jew, so the couple was able to move between London's Jewish communities. Montefiore became Rothschild's principal stockbroker and underwrote the loans Rothschild floated. Montefiore eventually began to speculate on his own account, with remarkable success. He became a director on many corporate boards, and he was a major stockholder in the Imperial Continental Gas Association, which helped install gas lighting in European cities.

Mature Wealth

In 1827, Montefiore visited Palestine. After the visit he became a strictly observant Orthodox Jew, who strongly opposed the spread of Reform Judaism in Great Britain. During the 1830's, Montefiore continued to shift his interests from business to philanthropy and Jewish communal affairs. Montefiore became well known for his charity to both Jewish and other beneficiaries, particularly in the town of Ramsgate, Kent, where he had his country estate. He was honored with the position of sheriff of the city of London (1837-1838) and was made a baronet in 1846.

Montefiore was best known in his time for his many journeys made on behalf of oppressed Jews in Europe and the Middle East. The first of these trips was to Damascus in 1840, where he secured the release of Jews held for the murder of a Catholic priest. Among the other places he went to assist Jews were the Vatican, Morocco, Russia, and Romania. He visited Palestine six more times and helped foster the economic development of the Jewish community there, hoping to render the Jews less dependent on foreign donations. He also helped establish the first Jewish community outside the walls of the Old City of Jerusalem and built a windmill to grind flour for the citizens of this community. This windmill remains standing in the twenty-first century and is a historical landmark. In addition to providing Montefiore with the time and transportation necessary for these trips, his wealth gave him access to many world leaders. Montefiore's efforts on behalf of persecuted Jews and his long life made him a hero among many Jewish communities.

Legacy

Montefiore left an estate of about £375,000. As he died without heirs, much of this money was left to charity or was bequeathed to servants. His landed property in Ramsgate was retained as a memorial to his wife, Lady Judith. Montefiore's wealth, generosity, and long life made him an international celebrity, revered by Jews and non-Jews alike. His many journeys helped spread awareness of anti-Semitism and fostered solidarity among Jews in different countries. Montefiore's concern for the Jewish community of Palestine contributed to the growth of Zionism after his death. His acceptance by the English elite demonstrated that an Orthodox Jew could be an English aristocrat and paved the way for closer ties between the Jewish and non-Jewish British upper classes.

—*William E. Burns*

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See also: Francis Baring; Samuel Loyd; First Baron Rothschild; Mayer Amschel Rothschild; Nathan Mayer Rothschild; Jacob Schiff.

Montezuma II

Aztec king and military leader

The ninth and final tlatoani *(leader) of the Aztec Empire, Montezuma II inherited the accumulated wealth of his predecessors and augmented it during his reign. The lure of this treasure proved irresistible to Spanish conquistadors, who deposed the emperor, destroyed his capital city, and obliterated his empire.*

Born: 1467; Tenochtitlán, Aztec Empire (now in Mexico)
Died: c. June 30, 1520; Tenochtitlán, Aztec Empire
Also known as: Moctezuma; Motecuhzoma Xocoyotzin
Sources of wealth: Inheritance; conquest; government
Bequeathal of wealth: Confiscated

Early Life

Montezuma II (mawn-tay-SEW-mah) was born of noble lineage into the Nahuatl-speaking Mexica culture, generically called the Aztecs. He was related to four previous rulers: He was the grandson of Montezuma I, the son of Axayácatl, and the nephew of Tizoc and Ahuitzotl. Montezuma grew up amid luxury in the empire's capital, Tenochtitlán, where he was well educated in science, religion, art, and military strategy. He became a devoted priest to war god Huitzilopochtli and proved himself often on the battlefield in Aztec campaigns of subjugation.

First Ventures

Upon ascending to the throne in 1502, Montezuma became heir to the Aztec fortune, a huge trove of gold, turquoise, and feathered and silver objects acquired during a period of domination and forced tribute that began in the fourteenth century. Early in his reign, he launched campaigns to increase his territory and wealth, and he expanded the size of the Aztec Empire to about 200,000 square miles.

Mature Wealth

In Tenochtitlán, a city resembling Venice, Italy, with a population of several hundred thousand people, situated on islands in shallow Lake Texcoco, Montezuma acted the part of the despot. He drank copious amounts of chocolate and ate rare delicacies from gold vessels. He had numerous royal concubines who bore him at least eleven sons and eight daughters. He dismissed commoners from his court and humiliated nobles by making them his servants. Montezuma raised taxes on local tradesmen, and he demanded additional tribute from conquered tribes and more victims for sacrifice to the war god. These measures eventually caused disharmony within his capital and rebellion throughout the empire.

Midway through Montezuma's reign, a number of omens appeared that signified to the superstitious em-

Montezuma II receives Hernán Cortés, who kneels before the Aztec emperor. Cortés and the other Spanish conquistadors would later plunder Montezuma's gold. (Library of Congress)

peror that great change was in the offing. A comet appeared in the sky. Lightning struck a temple. The shrine of the war god caught fire.

In 1519, the Spanish landing on the coast of Mexico coincided with prophecies that the feathered serpent god Quetzalcóatl would return in his human form as a light-skinned and bearded man. When fair and hirsute Hernán Cortés led his vastly outnumbered conquistadors and their Tlaxcalan allies (longtime enemies of the Aztecs) to Tenochtitlán, Montezuma did not resist. Instead, he meekly allowed himself to be held hostage for six months and permitted the Spaniards to plunder his treasure. His gold—considered common among the Aztecs and used primarily for decoration—was melted down and formed into chains that Cortés's soldiers wrapped around their bodies.

When the people of Tenochtitlán revolted against Spanish occupation in June, 1520, Cortés forced Montezuma to address his subjects in an effort to pacify them. However, the outraged populace showered the emperor with rocks and other missiles and severely wounded him. Montezuma died several days later, but it is unknown whether he succumbed to his injuries or was the victim of Spanish murder.

Legacy

Following Montezuma's death, the Aztecs with great loss of life drove the Spanish from Tenochtitlán; in fleeing, the invaders lost much of the booty they had stolen. Cortés soon returned with reinforcements and, aided by a smallpox epidemic and superior arms and armor, he decimated the empire by 1521. The Aztec capital was demolished, the people slaughtered, and the survivors enslaved to work in gold mines that produced enough wealth to make Spain a superpower during the sixteenth century.

In the years following the conquest, legends sprang up about a fantastic hoard of Montezuma's gold that the Spaniards had failed to find that was spirited away and hidden somewhere far to the north of the former empire. To this day, adventurers risk "Montezuma's revenge" (diarrhea) to search for the emperor's lost treasure.

—*Jack Ewing*

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See also: Atahualpa.

GORDON E. MOORE

American inventor, computer engineer, and industrialist

Moore, a cofounder of the Intel Corporation, is a highly regarded figure in the history of the semiconductor industry. He is the author of Moore's law, a hypothesis about the cost and ubiquity of integrated circuit technology.

Born: January 3, 1929; San Francisco, California
Also known as: Gordon Earle Moore
Sources of wealth: Inheritance; patents; computer industry
Bequeathal of wealth: Charity; educational institution

EARLY LIFE

Gordon Earle Moore was born in San Francisco, California, in 1929. His father was a police officer in San Mateo County, California, and his mother was a homemaker. Both parents were born in Pescadero, California, where Moore grew up. His father, who never finished grammar school, worked continuously through the Great Depression. The household had electricity and a telephone, and the family kept a cow that was milked daily. The family moved to Redwood City, California, in 1939. Math was Moore's strong subject and chemistry was his hobby. He attended high school from 1942 to 1946 and San Jose State College (now San Jose State University) from 1946 to 1948. He transferred to the University of California at Berkeley, from which he graduated in 1950 with a degree in chemistry. In 1950, Moore entered the California Institute of Technology, where in 1954 he received his Ph.D. in chemistry and physics.

Moore met his wife, Betty, when they were students at San Jose State College. The couple wed in 1950 and had two sons, Kenneth G. Moore and Steven B. Moore.

FIRST VENTURES

Moore worked at the Applied Physics Laboratory, a U.S. government facility at Johns Hopkins University, from 1953 to 1956. In 1956, William Shockley, one of the three engineers credited with the invention of the transistor in 1947, sought Moore for a position in Shockley's new company. Moore accepted a job at the Shockley Semiconductor Laboratory, a division of Beckman Instruments, in 1956. While there, Moore met and worked with Robert Norton Noyce, who along with Jack St. Clair Kilby is credited with inventing the integrated circuit, a type of semiconductor device that combined several transistors and other components on a single chip of silicon.

Dissatisfied with management, Moore, Noyce, and several other engineers left Shockley Semiconductor in 1957 to form Fairchild Semiconductor, headed by Noyce, as a division of the Fairchild Camera and Instrument Corporation. Each of the founding engineers, Moore included, invested $500 in the new company. Moore served as head of engineering and then as director of research and development, focusing on the production of silicon-diffused junction transistors and the introduction of the planar process of silicon device manufacturing. In 1959, Noyce patented his ideas for making integrated circuits using the planar process, and Fairchild became the market leader in these devices in the 1960's, earning annual revenues of $150 million. Integrated circuits greatly reduced the size, complexity, and cost of computers and computer-powered equipment, and they were used extensively in the computer, defense, and electronic equipment industries. Fairchild pioneered other integrated circuit technologies, including the complementary metal oxide semiconductor manufacturing process. In 1965, while at Fairchild, Moore published an influential article titled "Cramming More Components onto Integrated Circuits."

MATURE WEALTH

Unsure of the direction of Fairchild's leadership, Moore and Noyce left to found the Intel Corporation in July, 1968, using personal money, as well as funding from the noted California venture capitalist Arthur Rock. Initially called N. M. Electronics, the company soon changed its name to Intel, created from a contraction of the two words "integrated" and "electronics." First year sales totaled only $2,672. The company began working on memory chips, semiconductor devices that store information, and soon introduced the first commercially available dynamic random access memory devices.

In 1971, Intel accepted a contract from Nippon Calculating Machine Corporation to develop specialized integrated circuits for a new desktop calculator. Instead of a set of twelve separate devices, Intel engineers created a set of four chips, including one that could be specifically programmed for different, custom computer applications. The Intel model 4004 device was the first general microprocessor, a computer chip that could be programmed with software to perform a variety of processes. Containing twenty-three hundred transistors and other components on a single chip, the microprocessor

Moore's Law

In 1965, Gordon E. Moore was solicited for a contribution to the thirty-fifth anniversary edition of *Electronics* magazine. Asked specifically for his ideas regarding the future of the semiconductor industry, Moore sought to explain the cost advantages of integrated circuits and how they would become much less expensive through time. By amalgamating multiple transistors and other devices in a single chip, integrated circuits were in theory cheaper than discrete, single-function transistors and other types of discrete semiconductors. In 1965, however, the price of integrated circuits remained high, limiting their use primarily to mainframe computers, defense electronics, and other capital-intensive equipment.

From his perspective as research and development director at Fairchild Semiconductor, Moore envisaged a regular decline in the cost of integrated circuits. He reasoned that as engineering prowess and manufacturing techniques became more sophisticated, more devices could be placed on a single integrated circuit, thus reducing costs, while simultaneously increasing the functionality of integrated circuits. Larger integrated circuits, Moore believed, would motivate greater cost efficiencies.

Reviewing the development of integrated circuits since their invention in 1959, and in particular since 1962, and examining the next generations of chips then in development at the Fairchild laboratories, Moore noticed that the number of discrete transistors and other components incorporated onto a single integrated circuit had increased at a regular rate, approximately doubling every year. He noted three technology advances that would enable this increase to continue: The first was the improvement in semiconductor lithography, the process by which tiny components were printed onto silicon wafers and a factor in decreasing component size, allowing more transistors on each chip. Second, the size of the silicon wafers, on which integrated circuits were printed, would become larger, allowing bigger chips and more integrated circuits to be manufactured on a single wafer. Third, advancements in forming components on integrated circuits would result in further miniaturization and integration. Such technological progress, combined with the inherent cost efficiencies of integration, would make electronics useful and available throughout society.

In 1965, Fairchild's most advanced integrated circuits contained approximately sixty components. Moore predicted that during the next ten years integrated circuits would contain sixty thousand components. Moore's prediction was remarkably prescient. His article also suggested that integrated circuit advancements would make possible home computers, electronics in automobiles, electronic wristwatches, personal mobile communications, and other future devices. In 1975, he revisited his original thesis and predicted that the rate of growth would slow to a doubling of component integration about once every two years. Again, Moore was correct.

In the first decade of the twenty-first century, microprocessors and other kinds of integrated circuits contain millions of components of smaller-than-microscopic dimensions, while the cost per function of each individual component has continued to decline. Moore's friend Carver Mead, a computer scientist at the California Institute of Technology, eventually coined the term "Moore's law" for the concepts that Moore set forth.

paved the way for desktop computing and for the rapid evolution of industrial, personal, and mobile electronics.

Intel began selling stock in 1971 at a price of $23.50 per share. The Intel 8080 microprocessor, introduced in 1974, became the industry standard, and in 1981 International Business Machines (IBM) chose the Intel 8088 microprocessor to run its first personal computer. In 1975, Intel's revenues were $130 million, and by 1992 the company had become the largest semiconductor manufacturer in the world. In 2008, Intel's total revenues exceeded $37 billion. Moore's personal wealth is estimated to be more than $4 billion.

Moore was elected president and chief executive officer of Intel in 1975. He retired to become board chairman in 1987 and served in that position until 1997, when he became Intel's chairman emeritus. Moore was a member of the board of trustees of the California Institute of Technology from 1987 to 1995, and he served as board chairman from 1995 until 2001. In 1990, Moore was awarded the National Medal of Technology by President George H. W. Bush, and in 2002 he received the Presidential Medal of Freedom.

In 2000, the Gordon and Betty Moore Foundation was established to fund efforts in environmental conservation, science, and initiatives in the San Francisco Bay area. The organization was then the eighth-largest private foundation in the United States. The foundation provides significant support to Conservation International, an organization that seeks to protect the Earth's biodiversity. In 2001, the California Institute of Technology received $600 million from the foundation and from Gordon and Betty Moore, at the time the largest private donation given to an institution of higher learning. In his retirement, Moore became a tireless campaigner for environmental conservation and an avid practitioner of the sport of fishing.

Legacy

Moore is known as one of the fathers of Silicon Valley, the high-technology industry area in California near the city of San Francisco. He is widely respected for his business acumen, though he calls himself an accidental entrepreneur, and his modest and gentle character. Moore's legacy includes creating and commercializing the semiconductor technologies that drove the computer, software, and Internet revolutions of late twentieth and early twenty-first centuries. He is also a founder of the modern semiconductor industry, which in 2008 had global revenues of $261 billion and supplied devices used in every imaginable electronic product. Moore's commitments to education and environmental conservation have set an example of philanthropy that is emulated around the world.

—Eric Schuster

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Sergey Brin; Mark Cuban; Michael Dell; Larry Ellison; Bill Gates; Steve Jobs; David Packard; H. Ross Perot.

José de Moraes

Brazilian industrial conglomerate owner and politician

Moraes established the first major Brazilian industrial conglomerate, theVotorantim Group, integrating vertical and horizontal enterprises that produced aluminum, cement, hydroelectric power, iron, steel, and zinc and laying the foundation for the company's global operations.

Born: January 21, 1890; Nazaré da Mata, Pernambuco, Brazil
Died: August 9, 1973; São Paulo, Brazil
Also known as: José Ermírio de Moraes
Sources of wealth: Manufacturing; steel; metals refining
Bequeathal of wealth: Children; charity

Early Life

José Ermírio de Moraes (joh-ZEH ehr-MEER-ee-oo djee moh-RIHSH) was born on January 21, 1890, two years after the abolition of slavery in Brazil and a year after the monarchy was overthrown and replaced with a republic. Moraes was born in the state of Pernambuco in the impoverished northeastern region of Brazil. However, his father was a wealthy sugar mill and plantation owner. Moraes's father died while the boy was an infant, and his mother took over the plantation. Fulfilling his father's wish, Moraes's mother sent him, her only surviving son, to study at the Colorado School of Mines when Moraes was sixteen. To supplement his allowance, Moraes worked at odd mining jobs.

First Ventures

Returning to Brazil in 1921, he worked as an assayer in the mineral-rich state of Minas Gerais. He left that position in 1924 to work at the Votorantim factory in the industrializing state of São Paulo. Votorantim was the largest weaving and textile manufacturer in the country. In 1925, Moraes married the daughter of the company's owner, who was the son of Portuguese immigrants and who admired and mentored Moraes. Moraes and his father-in-law formed a synergic business partnership that was at the heart of the innovative and stable management of the Votorantim conglomerate.

In 1930, Brazilian president Getúlio Vargas began his authoritarian regime. In the midst of the worldwide Great Depression, with Brazilian coffee exports sinking, the country sought to increase the manufacture and sale of its industrial products. Brazil assessed tariffs on imported goods in order to stimulate domestic production. Moraes expanded Votorantim's operations into heavy industry, benefiting from new government projects for public works and new policies aimed at developing national manufacturing. Brazil possessed abundant mineral and other natural resources, and the United States supported the nation's industrial development in order to supply America during World War II.

Mature Wealth

Over the next quarter century, Votorantim expanded into numerous industries: iron, steel, cement, aluminum, zinc, chemicals, paper pulp, and hydroelectric power. The company's steel bars supported the war effort, and its cement plants built the metropolis of São Paulo and the new capital of Brasília. Votorantim's aluminum plants produced what was considered to be the construction metal of the future, and the conglomerate pioneered the production of rayon, initially creating this material as a substitute for the shortage of cotton. Votorantim's hydroelectric plants powered Votorantim's factories. Post-World War II Brazilian economists emphasized industrialization as the key to national development, with capital from foreign countries invested in Brazilian-owned companies. Votorantim had become the mammoth of Brazilian industry, and Moraes possessed one of the largest fortunes in the country.

In his late fifties, however, Moraes resigned from the management of Votorantim and dedicated himself to social and political interests. Sympathetic to workers and progressive social reforms, Moraes joined the Brazilian Labor Party, which was founded by Vargas after his government was overthrown at the end of World War II. Moraes's native state, Pernambuco, elected him a national senator in 1962. The following year, he was named minister of agriculture.

Conservative military forces, however, overthrew the Brazilian government in 1964, remaining in power for more than two decades. A proponent of land reform, Moraes did not enjoy the support of the new military government, and he left the senate in 1971. He then attempted to resume the management of Votorantim. However, debilitated by a stroke, he died in São Paulo in 1973.

Legacy

Moraes pioneered the birth of integrated heavy industry in Brazil. At the time of his death, his conglomerate, Votorantim, contained forty-six companies with thirty-three thousand employees. The conglomerate he established grew into a multinational corporation, strengthening Brazil's position in the global economy. In addition to his business activities, Moraes participated in his nation's political system. Sympathizing with urban industrial workers and the rural poor, he channeled this support through philanthropy and his membership and elected office in the Brazilian Labor Party. As of 2010, the wealth of Moraes's family was estimated at $3 billion, placing the family at number 316 in the *Forbes* magazine list of 1,011 world billionaires.

—*Edward A. Riedinger*

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See also: Jorge Wolney Atalla; Sebastião Camargo; Francisco Matarazzo.

J. P. MORGAN

American banker and financier

By the end of the nineteenth century, Morgan was the world's most influential banker. He greatly advanced the field of investment banking by financing American railroad construction, managing some of the largest corporate mergers, and funding Thomas Edison's efforts to generate and transmit electricity.

Born: April 17, 1837; Hartford, Connecticut
Died: March 31, 1913; Rome, Italy
Also known as: John Pierpont Morgan
Sources of wealth: Inheritance; banking; financial services; investments; real estate
Bequeathal of wealth: Spouse; children; employees

EARLY LIFE

John Pierpont Morgan was born into a wealthy family with business acumen and social prominence. His grandfather, Joseph Morgan, was a very successful New England farmer and entrepreneur, who was probably a millionaire when he died in 1847. J. P.'s father, Junius Spencer Morgan, in 1854 became a partner in the London-based international banking house of George Peabody and Co. Young Morgan attended school in Vevey, Switzerland, from 1854 until 1856 and then spent two years at a university in Göttingen, Germany. In 1857, he became a clerk in a New York banking house. By age twenty, Morgan had traveled all over Europe and was fluent in French and German.

FIRST VENTURES

Beginning in 1860, Morgan, working through his New York-based firm, J. Pierpont Morgan and Co., acted as agent for his father's London firm, George Peabody and Co. Under Morgan's direction, the Peabody company began to make commercial loans to New York and New England merchants. During the Civil War, the company's trading in U.S. government securities largely replaced its financing of cotton exports and iron imports; the firm also bought and sold gold and foreign exchange. According to author Vincent Carosso, Morgan's share of the firm's New York earnings was $30,000 in 1862 and $58,000 in 1863, some of it undoubtedly a subsidy from his father.

In London, Junius Morgan's partner, George Peabody, retired in 1864 and the Peabody firm was reorganized as J. S. Morgan and Co. The value of the elder Morgan's stake in the firm was about $1.3 million. Junius presided over reorganization of the firm's New York branch, bringing in a new, older, and more experienced partner, Charles Dabny. Junius also provided $200,000 of the capital for the new Dabny, Morgan and Co., half of which was in the name of his son. New York and London operations continued to be closely coordinated.

In 1869, following an extended transcontinental rail excursion, J. Pierpont Morgan and Co. took on its first venture in marketing a new security issue—a bond sale for the Kansas Pacific Railway. In that same year, J. P. Morgan made his first active intervention in railroad management when he helped the conservative operators of a newly formed company, the Albany and Susquehanna Railroad, resist takeover efforts by the notorious speculators Jay Gould and James Fisk.

MATURE WEALTH

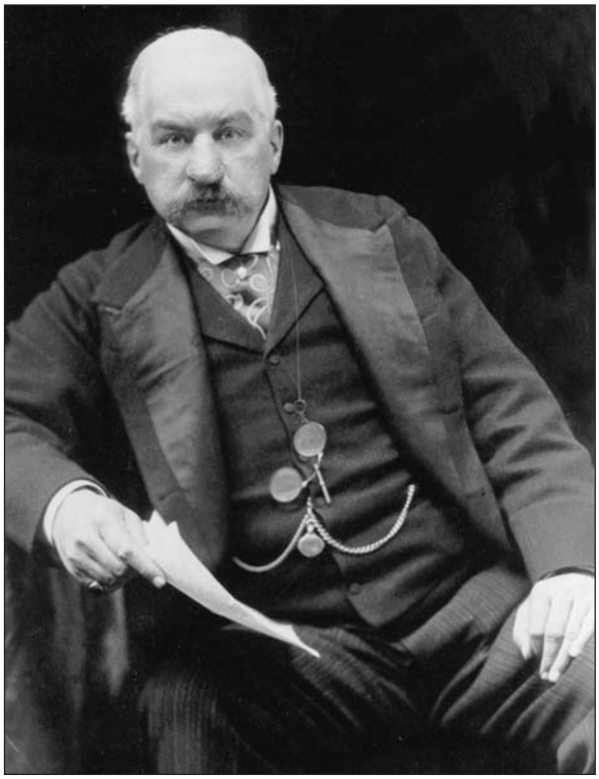
In 1871, J. P. Morgan reorganized his partnerships, joining forces with the prominent Drexel family of Philadelphia to form Drexel, Morgan and Company. At that time, Morgan's personal wealth was estimated at $350,000, and his father's wealth was about $5 million. In 1874 Drexel, Morgan recorded profits of $670,000, derived from commissions, interest, dividends, brokerage fees, and capital gains on assets purchased for resale. By that time, the Morgans and their partners had agreed to concentrate on marketing securities issues that would raise the necessary funding to finance expansion of their client companies.

Railroad financing was the principal challenge for investment bankers in the late nineteenth century. Between 1860 and 1900, America's railway mileage expanded from 35,000 to 190,000 miles. Railways became the nation's first giant corporations. The Morgan firms were involved in financing the Pennsylvania Railroad, the Louisville and Nashville Railroad, and the Lehigh Valley Railroad, and the firms began funding the Union Pacific Railroad in 1869, when the first transcontinental railway was completed.

In 1879, J. P. Morgan helped William Henry Vanderbilt sell off much of his vast stockholdings in the New York Central Railroad. Many of the buyers were English, and they gave Morgan their proxies in order to influence company management on their behalf. Morgan became a member of the New York Central's board of directors, taking on the role of protecting his investor clients. He subsequently became a major influence in the reorganization of such major rail firms as the Baltimore and Ohio (a longtime client), Reading, Chesapeake and Ohio, Erie, Norfolk and Western, and Northern Pacific. Morgan's 1880 syndicate to market $40 million of Northern Pacific bonds was reputedly the largest such transaction to date. A $20 million bond issue for the Reading Railroad in 1888 yielded Drexel, Morgan a $1 million commission. As the result of these railroad reorganizations, Morgan and his representatives became members of many of the railways' boards of directors. Morgan was instrumental in arranging collusive agreements concerning rail rates and coal prices before the passage of antitrust laws. These agreements gave way to the promotion of extensive consolidations. For example, more than thirty companies were brought together in 1893 to form the Southern Railway.

In 1878, Morgan was one of the earliest financial supporters of Thomas Edison's projects for electricity generation, transmission, and lighting. Four years later, Morgan's office and home were among the first to be lit by electricity.

Junius Morgan died in an accident in 1890. He left an estate valued at more than $9 million, of which his son received slightly more than $1 million. J. P. Morgan became the principal partner in his father's London firm. In 1893, Morgan's partner, Anthony Joseph Drexel, died, and the following year Drexel, Morgan was reorganized as J. P. Morgan and Company. In its last five years, Drexel, Morgan earned an average of about $1 million annually. By 1895, J. P. Morgan had emerged as the most prominent and influential banker in the world.



J. P. Morgan. (Library of Congress)

In 1889, the state of New Jersey amended its laws to permit one corporation to own stock in another. In combination with booming stock prices, this amendment helped spur an extensive number of corporate mergers. The Sherman Antitrust Act of 1890 was generally regarded as ineffective, and many of the mergers had the purpose and effect of decreasing competition and fostering monopolies.

Morgan and his firm were involved in some of these mergers. In 1892, Morgan's firm supervised the formation of General Electric, a company that combined Thomas Edison's electrical operations with Thomson-Houston, another major electrical manufacturer. J. P. Morgan and Company brought about a merger of major steel firms in 1898 to establish Federal Steel; the following year, Morgan was involved in the founding of the National Tube Company, a merger of fourteen manufacturers.

In 1901, Morgan engineered the most colossal merger yet seen—the creation of United States Steel, which was the world's largest corporation, capitalized at $1.4 billion. In all, fifteen companies were absorbed into the new behemoth, including Federal Steel and National Tube. A major goal of this merger was to remove Andrew Carnegie from the steel industry, where he was regarded as disruptive and uncooperative. Morgan became a member of the corporation's board of directors. In 1912, the government attacked U.S. Steel as an illegal monopoly, but company officials were not convicted.

Morgan and his firm continued to participate in corporate mergers, and some of the newly founded companies fared less well than U.S. Steel. For example, in 1901, Morgan was involved in the formation of the Northern Securities Company, which combined the Great Northern Railway and Northern Pacific Railway. This firm was later convicted of antitrust violations and was dissolved in 1904. In 1902, J. P. Morgan and Company helped to create International Harvester Corporation by merging the two principal makers of farm machinery. In that same year, Morgan organized the International Mercantile Marine Company, a giant shipping cartel. This firm was never profitable, and its reputation was harmed by the loss of its luxury liner RMS *Titanic* in 1912. The merger boom caused Morgan's income to skyrocket. Profits of his American partnerships rose from about $2 million in 1895 to more than $8 million in 1899, and his personal share was about one-third of these totals.

As the stock market boom moderated, the merger movement also declined. In the new century, J. P. Morgan and Company continued to be heavily involved with railroads. Morgan and his associates used their directorships to work toward consolidating railroads and avoiding cutthroat competition. The firm also continued to manage securities issues that financed railroad expansion and upgrade. Morgan's profits from these transactions were large but unstable. His firm recorded profits of nearly $25 million in 1902, the highest in Morgan's lifetime, but it lost nearly $22 million during the economic panic of 1907.

Morgan remained active in business until 1912, but he delegated increasing responsibility to his many capable associates, including his son J. P. "Jack" Morgan, Jr. Morgan's public reputation was greatly enhanced by his active intervention to help relieve the financial panic of 1907. However, he was heavily challenged by the "money trust" investigations of 1912-1913, in which a congressional committee examined allegations that a small group of Wall Street bankers were exerting control of the nation's finances. Morgan testified before the committee, and many believed the probe was specifically targeted at him and his investment banking business.

J. P. Morgan Library

In his lengthy European travels, investment banker J. P. Morgan accumulated a vast store of books and manuscripts. By 1900, his collection was so large that he decided to build a private library adjoining his home at 219 Madison Avenue in New York City. He engaged a noted architect, Charles Follen McKim, to design the library, though Morgan constantly intervened in the construction process. The library was completed in 1906, soon after Morgan had purchased a manuscript of John Milton's *Paradise Lost* (1667, 1674) and another of William Makepeace Thackeray's *Vanity Fair* (1847-1848). The library building was connected to Morgan's house by an underground tunnel. Its walls and ceiling were painted in Renaissance style. In the main room hung a sixteenth century tapestry illustrating *The Triumph of Avarice*.

Morgan hired a young Princeton University librarian named Belle da Costa Greene to organize and manage the enterprise. Although she did not acknowledge it, she was the daughter of the first African American man to graduate from Harvard University. One of her first major acquisitions was the 1908 purchase of seventeen fifteenth century items produced by pioneering British printer William Caxton. In 1909, Morgan bought manuscript copies of *Life on the Mississippi* (1883) and *The Tragedy of Pudd'nhead Wilson* (1894) directly from the author, Mark Twain. By 1911, the library held three Gutenberg Bibles. In that same year, Greene bought $100,000 of literary materials at auction, including Caxton's printing of Sir Thomas Malory's *Le Morte d'Arthur* (1485), which she purchased for $42,700. By then, Greene had gained a reputation for literary taste and good financial judgment. She remained at the library until retiring in 1948.

After J. P. Morgan's death, the library and its contents were left to his son Jack. In 1924, Jack donated the library's collection to New York City as a public museum, along with an endowment of $1.5 million. The library building was substantially enlarged in 1928, when the Morgan house was demolished. In the twenty-first century, the library contained drawings and prints, music manuscripts, and seals and tablets, as well as books and other print materials.

At his death in 1913, Morgan's estate was valued at $68 million, exclusive of his art and library collections, which were valued at about $50 million. Of the $68 million, about $30 million reflected his ownership interests in various partnerships, another $19 million was in securities, and $3 million was in real estate. His wealth was far smaller than the sums associated with the Vanderbilts and Rockefellers, for Morgan had made generous gifts throughout his prosperous years.

Legacy

J. P. Morgan's financial success was greatly facilitated by family wealth, education, and mentoring. However, he combined these advantages with his own exceptional intellect, energy, and strong commitment to honesty and fair dealing. He kept his promises and expected others to do the same. He was acutely aware of the importance of personal character. Morgan's emphasis on protecting stockholder value powerfully influenced corporate finance and the management of the financial services business, which helped the United States obtain foreign capital to achieve rapid industrial growth.

The partnership of J. P. Morgan and Company continued in operation after his death, becoming a state-chartered bank in 1940. In 1959, it merged with Guaranty Trust to form Morgan Guaranty Trust Co., which became J. P. Morgan Chase in 2000. Morgan's vast art collection was given to his son Jack, who donated much of it to the Metropolitan Museum of Art.

—*Paul B. Trescott*

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See also: George F. Baker; Andrew Carnegie; Jay Cooke; Daniel Drew; Anthony Joseph Drexel; Thomas Edison; John W. Garrett; Jay Gould; Hetty Green; James J. Hill; George Peabody; John D. Rockefeller; Jacob Schiff; William Henry Vanderbilt.

Taikichiro Mori

Japanese real estate developer

Mori changed the skyline of Tokyo with his development of prime properties near the Imperial Palace and government buildings, at one time becoming the world's wealthiest individual. The foundation he established in 1981 enabled later generations to continue urban development and improvement projects.

Born: 1904; Tokyo, Japan
Died: January 30, 1993; Tokyo, Japan
Also known as: Mori Taikichiro; Ooya San (Mr. Landlord of Tokyo)
Source of wealth: Real estate
Bequeathal of wealth: Charity

Early Life

Taikichiro Mori (tah-kee-chee-roh moh-ree), the son of a rice farmer who purchased two buildings that would provide a foundation for his son's real estate empire, was born in Tokyo, Japan. Mori grew up in one of the neighborhoods that he would later transform, an area of narrow streets with a few wider places where he played. He graduated from the Tokyo Shoka (College of Commerce, later the Hitotsubashi University) in 1928. After the end of World War II, he taught trade theory at Yokohama City University, eventually becoming the head of the school of commerce. He married Hana, and they had four children, sons Kei, Minoru, and Akira and daughter Aiko.

First Ventures

The Mori family began modestly to build what would become a real estate empire. When his father died in 1959, Mori inherited the two buildings that his father had acquired. His father had also managed thirty buildings in the Minato area. The real estate market had suffered tremendously after World War II, enabling Mori to begin to acquire plots of land in the Minato ward, located in central Tokyo. This area was where his family had lived for generations, working as rice and tobacco merchants. Mori sensed that the time was right for real estate investment. Now fifty-two years of age, he had just retired from his university teaching career. In 1959, he established the Mori Building Company along with his son Minoru, a student at the University of Tokyo.

Mature Wealth

Building by building, Mori began to make his mark on the city of Tokyo. His initial investment in buildings in Minato marked the area's third reconstruction. The area had been rebuilt after it was destroyed by an earthquake in 1923 and by American bombing during World War II. The buildings Mori constructed were steel-frame concrete structures that could survive some earthquakes. As new buildings were constructed, he labeled them chronologically as Mori Building One, Two, and so on.

For the next thirty years, including the period known as the great Japanese asset bubble of the 1980's, Mori continued to expand, until by 1989 the Mori family held real estate worth $14.2 billion. That figure increased to $15 billion in 1990, when *Forbes* magazine ranked Mori as the world's second-wealthiest man. In 1991 and 1992, he was named the wealthiest man in the world, having double the worth of America's richest man, Bill Gates.

Mori had a modest and unassuming manner about his wealth. He opted for an unpretentious life, wearing a simple kimono, carrying a lunch box to work, and living in a small apartment near his construction projects. Throughout Tokyo, he became known as Ooya San, an endearing nickname which is roughly translated as "Mr. Landlord of Tokyo." His modesty is reflected in his comment that he became the world's richest man only because the price of land in Tokyo skyrocketed, not because of his own accomplishments.

Legacy

One has only to look around the Minato ward of Tokyo to see much of the legacy of Taikichiro Mori. Over a period of some seventeen years, the Mori company enlisted the support of five hundred businessmen and other area residents for Mori's redevelopment project. Always solicitous of the residents, he quietly arranged for many of the company's employees to relocate in apartments constructed in this neighborhood. His sons would carry on his work, even though they had widely differing philosophies about how it should be done, resulting in their dividing the empire into two companies in 1999. The Mori Memorial Foundation, with assets of some 600 million yen, was established in 1981 to research methods for conducting and improving urban redevelopment.

—*Victoria Price*

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See also: Soichiro Honda; Kokichi Mikimoto; Yasujirō Tsutsumi.

Robert Morris

American merchant, financier, and statesman

Aided by a small inheritance, Morris became a highly successful merchant, and by 1775, he was one of the wealthiest Americans. Active in supporting the Revolutionary War, he served as the superintendent of finance for the national government from 1781 to 1784.

Born: January 31, 1734; Liverpool, Merseyside, England
Died: May 8, 1806; Philadelphia, Pennsylvania
Also known as: Robert Morris, Jr.
Sources of wealth: Trade; investments; real estate; government
Bequeathal of wealth: Dissipated

Early Life

Robert Morris, Jr., moved from his native England to Oxford, Maryland, in 1748, joining his father, a tobacco merchant. A year later, Morris was apprenticed to a leading Philadelphia merchant, Charles Willing. In 1750, Robert inherited an estate valued at about £2,500, but he had to pay some of this amount to other heirs. At a time when a skilled workman could earn perhaps £1 a day, this was a significant sum. Willing died in 1754 and his son Thomas Willing took control of his father's firm, which became a partnership with Morris.

First Ventures

In the mid-1750's, Morris made several voyages on behalf of the firm, and he sometimes was charged to sell both vessel and cargo. In 1756, he purchased a one-fourth interest in another firm that in May, 1757, was officially named Willing and Morris. This firm dealt primarily in imports and exports, necessarily supplemented by foreign exchange.

Mature Wealth

By 1775, Willing and Morris was a leading merchant firm in Philadelphia. The company owned ten ships. The American Revolution opened up a new opportunity to invest in privateering—legalized piracy directed against merchant ships of an enemy country. The firm also invested in land, including an ambitious southern plantation.

Morris was gradually drawn into opposition to the restrictive trade and tax measures of the British government. In 1775, he was elected to the Continental Congress. In 1776, he was chosen chairman of a secret committee to import military supplies, and much of that operation was conducted by the firm of Willing and Morris.

Morris reluctantly signed the Declaration of Independence, but once war broke out, he became a leader in organizing and helping to manage the financial and logistical operations of the Revolutionary War. His activities during the war primarily involved borrowing money at home and abroad to finance America's rebellion against the British. In January, 1777, Morris obtained a desperation loan of $50,000, which enabled General George Washington to pay his troops and to defeat the British at Princeton. Morris was designated superintendent of finance, serving in this position from 1781 to 1784. He was a U.S. senator representing Pennsylvania from 1789 to 1795.

Robert Morris. (Library of Congress)

Morris combined his commercial operations with his public responsibilities. He formed numerous trading partnerships, better described as joint ventures. In 1778, he joined with Jonathan Hudson of Maryland, each furnishing half of the capital of £20,000 (Pennsylvania pounds). In the fall of 1778, Morris received commissions of £7,500 from purchases on behalf of the French in a joint venture with John Holker. By 1780, Morris was involved in nine major partnerships and numerous lesser ones, and these business ventures engaged in privateering, commodity transactions, shipping, lands, securities, and foreign exchange. In 1784, he invested $60,000 in the voyage of the *Empress of China*, and he provided $12,000 of capital for a new partnership in Baltimore.

Beginning in 1770, Morris developed a three-hundred-acre country estate, called The Hills, along the Schuylkill River, with a mansion and numerous other buildings, where cattle, sheep, and hogs were raised. His various home properties were worth at least $300,000 in 1795.

In his role as superintendent of finance, Morris often pledged his personal credit to make payments, even issuing the equivalent of personal banknotes, which reached a nominal total of about $1 million in June, 1783. His wartime service diverted him from mercantile activities, and his wealth was significantly reduced, though he continued to enjoy a high income. His efforts to recoup his fortune led him into land speculation. By the mid-1790's, he owned millions of acres of land in seven states, as well as more than seven thousand building lots in the nascent District of Columbia. Morris had to borrow money to purchase these properties, and by 1797 he was unable to service his debts. His properties were foreclosed. On February 15, 1798, he was taken to debtors' prison, where he stayed until August 26, 1801. His debts were tabulated at nearly $3 million.

Legacy

Robert Morris's administrative skills and mercantile reputation and contacts enabled him to provide essential support for the American Revolution. He enjoyed a large income and lived on a grand scale for most of his adult life. His financial ideas anticipated many of the policies subsequently put in place by Alexander Hamilton, the first U.S. secretary of the Treasury.

—*Paul B. Trescott*

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James Morrison

British merchant, politician, and landowner

Morrison was a self-made millionaire whose fortune was the first to be made from low-profit mass-retailing in the early nineteenth century.

Born: c. 1789; England
Died: 1857; Berkshire, England
Sources of wealth: Manufacturing; sale of products; real estate
Bequeathal of wealth: Children

Early Life

Little is known of James Morrison's origins. It is generally supposed that he was born to humble yeomen (independent, small farmers) or innkeepers, around 1789. He began his career working in London warehouses, eventually employed in a warehouse belonging to Joseph Todd, who ran a general drapery business. Morrison appears to have been entirely self-educated.

Morrison showed unusual commercial acumen and worked his way up in the drapery business. Todd took him into partnership and allowed Morrison to marry his daughter, Mary Anne, with whom he had four sons. The business was renamed Morrison, Dillon and Co. after Todd's death, and it was then converted to Fore Street Ltd. when it was registered as a limited liability company as a result of new legislation.

First Ventures

Morrison saw that one way of realizing profits in a competitive market was to move toward mass production, selling merchandise cheaply but quickly. This "small profits and quick returns" principle was a new concept in the early nineteenth century, made possible by the Industrial Revolution.

In 1823, Morrison made a journey to the New Lanark Mills that Robert Owen had set up in Scotland in order to mass-produce textiles. Morrison was already estimated to be worth £150,000 ($600,000), and he was planning to invest £5,000 of this sum in the new mills. The growth of population in Britain's major towns and cities at this time produced new markets for textiles and other merchandise; the railroads being constructed provided newer and faster methods to distribute these goods.

Mature Wealth

Early in his career, Morrison had become interested in politics, especially as the old Whig Party was transforming itself into the Liberal Party, rallying on a platform of free trade and parliamentary reform. Morrison used some of his wealth to enter politics in 1830, becoming a Liberal Party member of Parliament for St. Ives in Cornwall. At this time, members of Parliament were not paid, and most of them relied on private sources of wealth. Morrison was part of what was known as the "Reform Parliament," which passed the Reform Bill of 1831. In 1832, he became a member of Parliament for Ipswich, serving in this position until 1837. He later returned to Parliament between 1840 and 1847. His primary parliamentary interest was the regulation of the new railroad system, and a number of his proposals were enacted into law.

However, Morrison's aim was not merely to acquire wealth or political influence. His ambition was to rise in Great Britain's tightly constructed social hierarchy, a goal that could only be achieved by becoming a landowner. He had been acquiring real estate all over Britain, including southern England, with properties in Buckinghamshire, Wiltshire, Kent, and Berkshire, where Basildon Park became his main residence. He also obtained real estate in Yorkshire in northern England and purchased a hunting lodge in the Scottish Highlands in Islay. His most famous acquisition was Sudeley Castle in the Cotswolds, which he bought from another self-made merchant. Morrison also acquired a town house on London's prestigious Harley Street. To fit the role of a gentleman, he built a large library and became an art lover, purchasing a number of Old Masters, especially of the Italian and Dutch schools. His choice of books and paintings showed an innate good taste and were commended by art critics of the day.

Legacy

On his death in 1870, James Morrison's assets were estimated at about £4 million (between $12 and 16 million in American currency) in Great Britain, with additional investments in the United States. These assets would be equivalent to £5.6 billion ($8.4 billion in American currency) in 2010. His properties were divided among his four sons, who were now part of Britain's upper class. His youngest son, Walker, followed him into politics.

However, Morrison's main legacy was not to move his family into the upper class but to demonstrate how commerce could be developed into discount retailing and how fortunes could be made in industrial entrepreneurship. His low-cost clothing made better apparel available to the masses and eventually opened up the way for today's mass marketing.

—*David Barratt*

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Samuel F. B. Morse

American inventor and painter

Although Morse began his career as a notable painter, his fame and fortune came from his invention of the single-wire telegraph and the Morse code, inventions that linked all of the continental United States and eventually other parts of the world.

Born: April 27, 1791; Charlestown, Massachusetts
Died: April 2, 1872; New York, New York
Also known as: Samuel Finley Breese Morse; The Lightning Man
Sources of wealth: Patents; telegraph
Bequeathal of wealth: Charity

Early Life

The son of Jedidiah Morse, a Calvinist pastor and prominent geographer, Samuel Finley Breese Morse spent his early years floundering until he settled upon an ambition to be a great painter. While Morse achieved some distinction in the genre of historical painting, he failed to secure the lucrative commissions and public recognition that he craved above all. Although the restless Morse did receive the respect of his fellow artists, who chose him to head the newly established National Academy of Design in New York City, by the mid-1820's he had resolved to find another way to make a living and to achieve distinction as an original mind.

First Ventures

On a sea voyage in 1825, Morse met Charles Thomas Jackson, an American with a keen interest in electromagnetism. After observing the operation of Jackson's electromagnet, Morse in 1832 conceived the idea of a single-wire telegraph, a means of communication via a code tapped on a keypad that could link cities and communities to each other and eventually connect the entire world.

What happened next is open to dispute. Like many nineteenth century inventors, Morse discounted his predecessors' and collaborators' accomplishments so he could claim title to patents that would allow him to assert sole ownership of his invention and the profits it generated. Morris stood accused of stealing their ideas, and thus began his arduous but successful lifelong battle to foster his fame and wealth.

Samuel F. B. Morse sends a telegraphic message during a ceremony honoring him at New York's Academy of Music in 1871. (Library of Congress)

Hoping to interest Congress in purchasing his single-wire telegraph (other inventors in England, for example, had devised much more complicated mechanisms using several wires), Morse decided on a pilot project that would link Washington, D.C., and Baltimore, Maryland, by telegraph wire. After several failed experiments over two years, he finally succeeded in 1844. Even so, Congress's slowness in appropriating funds for the telegraph and Morse's difficult dealings with businessmen and fellow inventors, several of whom claimed technological breakthroughs that enabled the steadily lengthening telegraph lines to transmit messages, cast doubt on his ability to profit from his invention.

Mature Wealth

Morse's financial fate improved in 1847, when he finally secured a patent for the invention of the single-wire telegraph. In 1851, he was able to triumph over competing companies and inventors when his system became the standard method of telegraphy in Europe. In 1853, the U.S. Supreme Court upheld Morse's claim to sole ownership of the telegraph patent, a decision that cleared the way for him to profit from his invention. In 1858, the French government paid him 400,000 francs (then worth about $80,000) for the use of his equipment.

Morse had trouble profiting from his dealings with telegraph companies, but in the end his various investments, principally his shares in Cyrus West Field's Atlantic Telegraph Company, yielded considerable wealth, which was valued at approximately $500,000 when Morse died.

Morse made contributions to religion-based charitable organizations. He also lavished his fortune on Locust Grove, his home in Poughkeepsie, New York, which he acquired in 1847, and was later declared a historic site. Morse designed his home as an Italian villa and furnished it with important collections of paintings, furniture, and ceramics.

Legacy

Morse's invention linked both coasts of the United States in 1861. He was often called the "lightning man" because he had made possible a swift communication system, utterly transforming the way Americans received their news in newspapers and the way public figures could disseminate information. The virtually instantaneous transmission of news reports, speeches, election results—all the events of modern life—made Morse a celebrated figure in his own time. His Morse code, a set of dots and dashes representing letters, numbers, and symbols, remains a permanent contribution to modern communications.

—*Carl Rollyson*

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See also: James Gordon Bennett, Jr.; Cyrus West Field; Jay Gould; John William Mackay; Russell Sage.

Clint Murchison, Sr.

American oil and gas magnate

Murchison was a Texas oilman who valued powerful associations and courted influence at the highest levels of business, politics, and organized crime.

Born: April 11, 1895; Tyler, Texas
Died: June 19, 1969; Athens, Texas
Also known as: Clinton Williams Murchison, Sr.
Source of wealth: Oil
Bequeathal of wealth: Spouse; children; charity

Early Life

Born in Tyler, Texas, Clinton Williams Murchison (MUHR-chih-son), Sr., grew up in Athens, Texas, and was educated at a private academy. Although his parents, John Weldon and Clara Lee Murchison, offered to pay his way through college, he refused in order to continue his work in the family-owned bank. He married Anne Morris and the couple had three children, two of whom survived into adulthood. Murchison performed honorably as a second lieutenant in the U.S. Army during the last years of World War I before returning to Texas and the full-time pursuit of his growing business interests.

First Ventures

Back in Texas, Murchison entered the cattle business and excelled at improving the quality of herds and knowing when to sell them. Murchison had been close friends for several years with another bright, wealthy, and ambitious entrepreneur, Sid W. Richardson. Richardson picked up Murchison when Murchison arrived in Fort Worth after completing his military tour, and the two men sped to the Texas oil boomtown of Burburnett. Using information-gathering techniques that would later be illegal, they made a fortune in the oil business. From Richardson, Murchison learned always to retain a minority interest in every oil well he sold, thus generating future earnings from property he no longer owned.

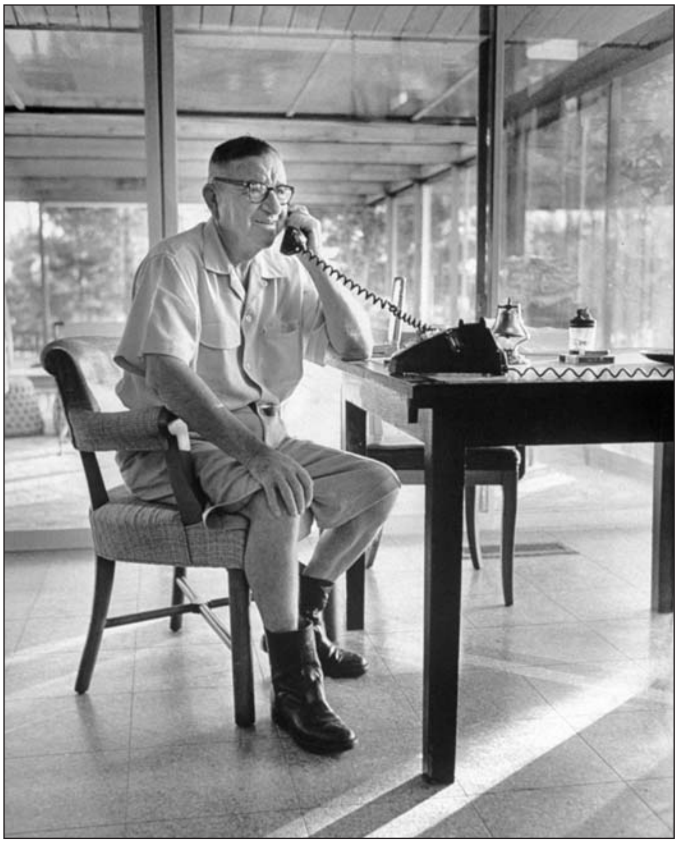
Murchison soon realized the potential for huge profits in another fossil fuel, natural gas. Moving quickly, Murchison bought the rights to supply natural gas in

Albuquerque and Santa Fe, New Mexico. By his mid-thirties, Murchison, through a variety of enterprises, had amassed a fortune conservatively estimated at tens of millions of dollars.

Mature Wealth

Murchison was not shy about bending the law when it came to making money. One common complaint was that he broke Texas law by ignoring production limits on the amount of gas that could be pumped, thus adding immeasurably to his fortune. He had powerful friends, however, and all of them understood that economic opportunity was the most important thing. Murchison built or acquired several successful enterprises and companies, such as Southern Union Gas Company, American Liberty Oil Company, Trans Canada Pipeline, Inc., and the New York Central Railroad.

Murchison used most of his vast wealth to finance a lavish lifestyle. He built a luxury resort at La Jolla, California, and used it to entertain his new Hollywood friends, including Frank Sinatra, John Wayne, and Elizabeth Taylor. A conservative Democrat, he understood the importance of strong political connections and accordingly developed friendships with politicians Lyndon B. Johnson, Dwight D. Eisenhower, Richard Nixon, and Sam Rayburn, and J. Edgar Hoover, director of the Federal Bureau of Investigation (FBI). Unfortunately, some of his connections were sordid and ominous, such as those with organized crime bosses Carlos Marcello and Vito Genovese.



Clint Murchison, Sr. (Time & Life Pictures/Getty Images)

Legacy

Murchison was and remains a controversial figure. He could be supportive and philanthropic, and he did donate substantial sums to various Texas charities and universities and often paid college tuition for promising young men. However, he could also be utterly ruthless in business and politics. Many believe that Murchison hosted a meeting in Dallas on the evening of November 21, 1963, which was attended by Johnson, Hoover, and Nixon, among others. The purpose of the meeting was supposedly to finalize plans for the assassination of President John F. Kennedy, a man Murchison intensely disliked, the following day.

Murchison should be remembered for his business skills and for being the embodiment of laissez-faire economics and politics during a largely unregulated era. The good things he did with a part of his wealth should also be noted. It is probable, however, that the less flattering aspects of his life will continue to interest both researchers and the public for years to come.

—*Thomas W. Buchanan*

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Rupert Murdoch

American media magnate

Murdoch, an Australian-born billionaire, transformed a relatively modest inheritance consisting of two small Australian newspapers into a multibillon-dollar international holding company that owns print and online newspapers, television and radio stations, and other media organizations across the world.

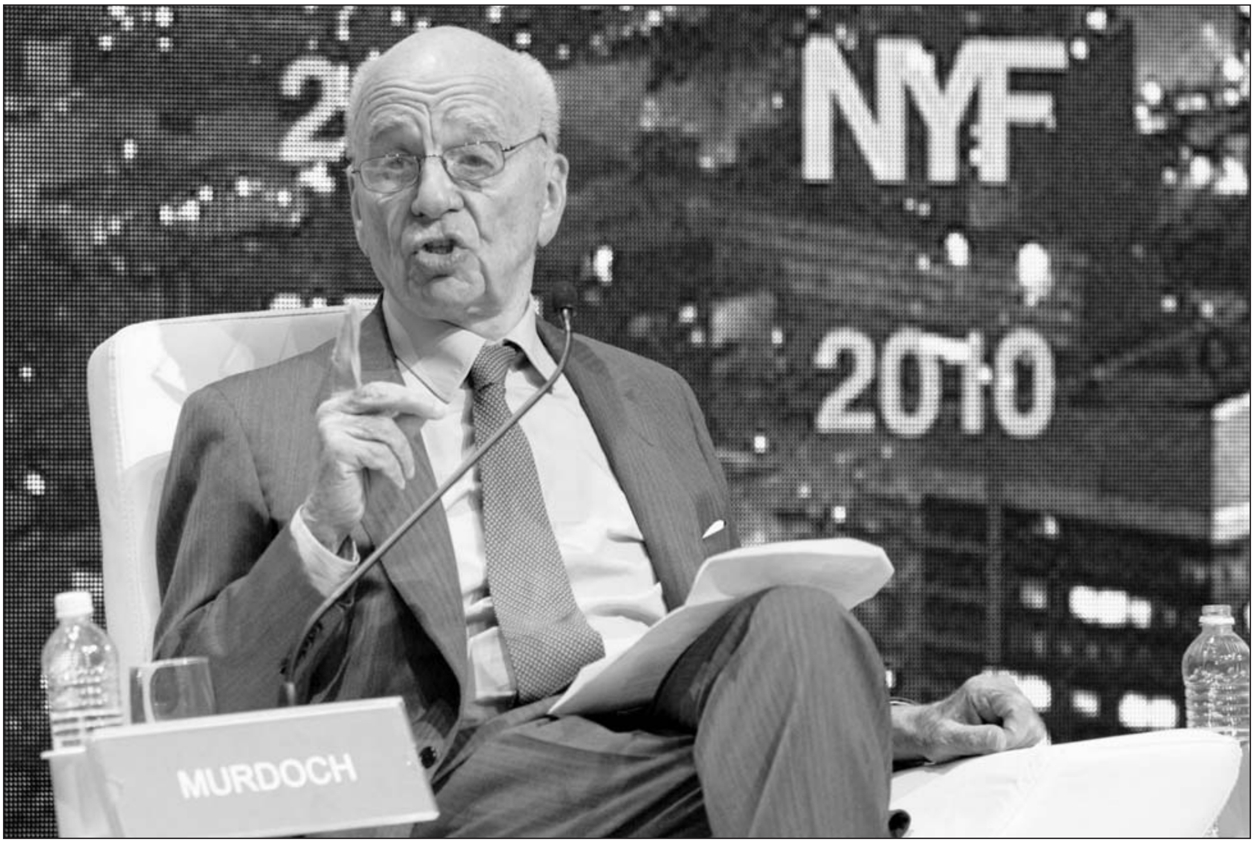
Born: March 11, 1931; Melbourne, Victoria, Australia
Also known as: Keith Rupert Murdoch; Rupert K. Murdoch
Sources of wealth: Inheritance; media
Bequeathal of wealth: Charity

Early Life

Keith Rupert Murdoch (REW-poort MUHR-dok) was born on March 11, 1931, in Melbourne, Australia, to Sir Keith and Lady Elisabeth Murdoch. His father, who ran a lucrative newspaper chain, died in 1952, and in 1954 the younger Murdoch returned from his studies in England to take over the two mediocre newspapers that were all that remained when his father's estate was finally settled. In just two years, Murdoch made the newspapers so successful that he was able to buy a Sunday newspaper in the western Australian city of Perth, laying the ground for global expansion that would eventually encompass England, the United States, and Asia.

First Ventures

Building on his initial success, Murdoch launched the first national Australian newspaper, the *Australian*, in 1964, employing a tabloid sensibility that serious journalists decried but readers loved. Before long, Murdoch was able to look beyond Australia to England, and within a year of purchasing the British newspaper the *Sun* in 1969, he doubled its circulation, in large part by making the controversial and now legendary decision to publish daily photographs of topless women. Murdoch made his



Rupert Murdoch addresses a business forum in 2010. (Bloomberg via Getty Images) first foray into the United States by buying the *San Antonio Express-News* in 1973, followed by the *New York Post* in 1976. In 1980, he created News Corporation Limited (or News Corp.) as a holding company for his expanding interests, and in 1985 he became an American citizen, primarily so he could legally own American television stations.

Mature Wealth

Murdoch's foray into American television catapulted his wealth and influence to dizzying new heights. In 1985, he purchased the film company Twentieth Century-Fox, as well as several local television stations that he ultimately combined into the Fox Network. In 1989, he launched Sky Television in England, admittedly a less successful venture that resulted in significant losses. Murdoch was able to restructure News Corp.'s debt, however, and continued to fund existing operations and launch new ones. In 1993, Murdoch acquired Star TV, one of the largest satellite television networks in Asia, in order to begin expanding into that part of the world. He became a household name in 1996 when he launched the Fox News Channel, a twenty-four-hour cable news station that quickly snared a significant market share. As with many of Murdoch's newspapers, Fox News' tabloid sensibilities drew much criticism, and the station has come under fire for biased coverage, but it retains a loyal audience.

Murdoch's personal life mirrored the fluctuations of his business. In 1999, Murdoch agreed to pay a divorce settlement of more than $1 billion to his second wife, only to marry for a third time a few weeks later. By 2003, he had six children with his three wives, and the elder of his children had varying degrees of involvement with News Corp.

While Murdoch has faced frequent opposition from traditional news companies, critics, and the U.S. Federal Trade Commission, his market savvy and risk taking have undeniably paid off. His 2005 purchase of the social networking site MySpace signaled his intention to tap into the Internet's vast potential, and his trademark perseverance resulted in his 2007 landmark purchase of Dow Jones & Company, Inc., the publisher of *The Wall Street Journal*.

Legacy

Rupert Murdoch's single-minded determination allowed him to expand his family's relatively modest newspaper interests into News Corp., arguably the world's most powerful media holding company from the 1990's through the first decade of the twenty-first century. He has been able to position his company on the forefront of new television technologies, and he boldly began exploring Internet-based news and entertainment from the inception of this medium. Murdoch's success may be attributed to his global outlook and his willingness to diversify from traditional newspaper publishing to television, film, and Web commerce. While his political conservatism and his apparent desire to influence global politics have been widely criticized, his business acumen is universally recognized.

—*Amy Sisson*

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See also: Walter Annenberg; Barbara Cox Anthony; David and Frederick Barclay; Silvio Berlusconi; Michael Bloomberg; Anne Cox Chambers; Katharine Graham; John H. Johnson; Robert L. Johnson; Samuel I. Newhouse; Kerry Packer; Ted Turner; Oprah Winfrey.

Mansa Mūsā

Mandé royalty

Mūsā is remembered for spending rather than generating wealth. During his pilgrimage to Mecca and Medina, his entourage's display of wealth, his largesse in exchanging presents, and his spending spree were of such proportions that they established the empire of Mali as the fabled Land of Gold.

Born: c. 1280; probably Niani, Mali
Died: 1337; Niani, Mali
Also known as: Kankan Mūsā
Sources of wealth: Inheritance; trade; government
Bequeathal of wealth: Children

Early Life

The empire of Mali, the largest and most powerful state of its time in the western Sudan region of West Africa, originated with the conquests of Sundiata in the early thirteenth century. The line he established continued to rule as *mansa*, a title of sovereignty among the Mandé, for about a century but struggled to keep the empire together.

In 1312, the royal succession skipped to a descendant of Sundiata's younger brother. The first ruler of this line was Mansa Mūsā (MAN-suh MEW-suh), who is described by chroniclers as upright, godly, devout, pious, and equitable. Nevertheless, he somehow killed his mother, reportedly by accident (no details are available), for which he felt deep remorse. A holy man suggested he go on a *hajj* (pilgrimage) to atone.

First Ventures

Mansa Mūsā obtained his wealth by virtue of his position as ruler of Mali, a federated empire in which peripheral areas often broke away and had to be reconquered. Strong *mansas* like Mūsā kept the empire together, imposing security that encouraged trade and commerce. The most important long-distance trade commodity was gold. By the fourteenth century, West Africa was the Old World's major importer of gold. This gold came from several major deposits, but in Mansa Mūsā's time the main source was the region of Bure at the headwaters of the Niger River, where seasonal shallow pit mining was practiced. This was arduous, dangerous, and very labor-intensive work done in family groups. Contemporary accounts maintain that merchants engaged in the "silent trade" with the miners, a form of barter in which the exchanging parties were not in direct contact, although some modern scholars believe such stories to be spurious. In any case, the merchants benefited far more from this trade than the gold producers, and rulers like Mansa Mūsā, who taxed and controlled the trade, benefited most of all.

Mansa Mūsā sits on his throne (right). The figure on the left is one of his subjects riding a camel. (The Granger Collection, New York)

The African Gold Trade

The African gold trade established economic and ultimately cultural exchanges between West Africa and the Middle East and Europe. Sudanese merchants who dealt with the gold miners were known as *wangara* (or *juula*), a class of specialized long-distance traders. These traders also dealt in other products, chief of which were slaves; wild animal products like hides, ivory, and civet; kola nuts; and food products, including grains and dried fish, across the western Sudan. Gold, however, was the driving commodity of long-distance trade. It was carried to cities like Awdaghust, Jenne, and Timbuktu, where it was processed into bars, jewelry, and filaments. Almost all West African gold was exported, and of the little that stayed behind, none of it was minted into coins. One estimate puts the amount of gold exported per year at somewhat more than a ton, stretching across a number of centuries.

Gold headed north would enter the trans-Saharan trading system. Scholars disagree as to when this system was in place, with dates ranging from the fifth century B.C.E. to the eleventh century C.E. Crucial to the large-scale development of commerce was the introduction of the dromedary, or Arabian camel, as a pack animal and the creation of the caravan system, with its staging posts and refreshment stations. A single, well-marked, well-maintained highway did not exist. Rather, at any given time merchants led by guides could cross on several different trails ranging in parallel bands west to east from near the Atlantic Ocean to Lake Chad.

Among the major products that came south were textiles and other manufactured goods and metal products, in particular copper and its alloys. A load of salt was usually picked up along the way at mines located in the northern Sahara. As West Africa was a salt-deficient region, over the long run salt proved to be the most important commodity coming from the north, particularly in the trade for gold.

Ultimately, the huge influx of gold and silver from the Americas that began in the sixteenth century sent the West African gold trade into a decline from which it never recovered. Some gold continued to be sent across the trans-Sahara until at least the early nineteenth century. The caravan trade itself remained operational into the twentieth century fueled by the demand for salt.

Mature Wealth

Mansa Mūsā's pilgrimage was more than an attempt to atone. For his own people, a high-profile royal *hajj* was a conspicuous way of showing his piety and gaining *baraka* (spiritual power), as well as giving his rule legitimacy, an especially important consideration for the scion of a new royal line. A pilgrimage could attract scholars, merchants, and craftsmen and increase trade, diplomatic relations, and general contact with other Muslims in the lands through which it passed or in places where residents had heard about the trip. For his part, Mūsā was not reluctant to expend the resources of Mali. According to both Sudanese and Egyptian sources, the size of his procession was incredible, with estimates ranging from eight thousand to sixty thousand people. The logistics involved represent an extraordinary feat, as this was certainly the largest number of people ever to have crossed the Sahara at a single time.

Mansa Mūsā holds the record not only for traveling with the most people but also for transporting the largest amount of money. Pilgrimages were an important way in which Sudanese gold reached the Middle East, from where it was often funneled to Europe and other parts of Asia, particularly India. However, Mūsā's caravan was unique in the sheer quantity of gold it carried. On entering Cairo, his caravan is said to have been led by five hundred slaves, each carrying a rod of gold weighing five hundred *mithqals*, or about six pounds. The slaves were accompanied by eighty to one hundred camels, each laden with gold dust (a camel could carry up to three hundred pounds). From these reports, one scholar estimated that Mūsā traveled with between twelve and fifteen tons of gold, not including the pocket money of his followers. These figures, however, are improbable, and more recent estimates have been revised downward to around a ton. Still, this was an enormous amount of gold for the time.

In Cairo, Mūsā showered gifts of gold on the ruling sultan and his high officials. In Mecca and Medina, he gave large amounts of gold to be distributed as alms.

On his return trip through Cairo, the *mansa* seemed determined to spend what was left of his gold. He and his followers went on a buying frenzy that became legendary, purchasing clothes, books, Turkish slaves, singing girls, and anything else that caught their eyes. Cairene merchants made what was described as incalculable profits. Obsessed with buying, the Malians began reselling what they had purchased, getting back half of what they had paid so they could buy new items they wanted even more. When their money ran out, they began to borrow, and the biggest borrower was the *mansa* himself, who was royally fleeced by Egypt's most prominent businessmen. Lenders are said to have reaped a return of seven hundred dinars (a dinar was a gold coin) for every three hundred they lent. One merchant family alone lent Mūsā fifty thousand dinars. To raise additional cash, Mūsā had to sell a palace the Egyptian sultan had given him as a gift.

The Malians did have a revenge of sorts. They dumped so much gold on the Cairo market in such a short time that the gold became greatly devalued. Various estimates have been made as to the amount of inflation that resulted from the buying frenzy, but twelve years later the Egyptian monetary system was still in disarray. Nevertheless, the Egyptians came out better than the Malians in paying the price for this most spectacular of royal *hajjs*. Mansa Mūsā's pilgrimage has been hailed as one of the great events of West African history, but for all its splendor, its reckless extravagance must have put a great strain on the Malian economy, resulting in considerable hardship for the common people back home. Contemporary writers, however, did not notice.

Mūsā spent much of the rest of his life dealing with the repercussions of his trip. He sent gifts to the Egyptians who had accompanied him on the pilgrimage and a letter to the sultan, in which he included another large sum of gold. Whether Mūsā ever repaid the merchants who lent him money in Cairo is another matter. Three contemporary reports state that he did and two that he did not. Mansa Mūsā died, apparently of natural causes, in 1337.

Legacy

Mansa Mūsā's pilgrimage increased diplomatic relations and cultural exchange between Mali and the larger world of Islam, in particular Egypt and North Africa, and trans-Saharan trade was greatly stimulated, especially in gold. Whether an act of pious generosity, or irresponsible spending, Mansa Mūsā's pilgrimage was above all a public relations extravaganza that produced results. Word of Mali, Land of Gold, spread throughout the Mediterranean and into Europe, where Mali began appearing on maps along with a representation of Mansa Mūsā sitting on a throne and holding a gold nugget. The city of Timbuktu, said to have been the staging post for the trip (which actually may have been Walata), was rumored to have been paved with gold. In the century after Mūsā's trip, Portuguese ships began venturing down the African coast in the quest for gold, to be joined later by overland explorers.

In the meantime, Mali declined and was replaced by another empire, Songhai, while Bure gave way to an even richer goldfield, that of Akan. While the image of Timbuktu and the gold of Mali took on a life of its own (it was finally dispelled in 1828 by the explorer René-Auguste Caillié), there can be no doubt that between the eighth and fifteenth centuries Sudanese gold was a vital component in supporting the Islamic monetary and commercial system from Morocco to Iraq. This gold also made possible the great increase in international trade during the late Middle Ages, initially among the cities of Italy and later in other parts of Europe.

—*Richard L. Smith*

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See also: Mwene Matapa Nyatsimba; Osei Tutu; Tenkamenin.

al-Mustanṣir
Egyptian royalty

Al-Mustanṣir inherited the prosperous Fāṭimid caliphate that flourished around the Mediterranean between the tenth and twelfth centuries. However, he was unwittingly responsible for losing much of the caliphate's fortune through the incompetence of his advisers, religious infighting, and bad luck.

Born: July 5, 1029; Egypt
Died: January 10, 1094; Cairo, Egypt
Also known as: Maʾad al-Mustanṣir Billāh
Source of wealth: Inheritance
Bequeathal of wealth: Dissipated; unknown

Early Life

Maʾad al-Mustanṣir Billāh, who came to be known as al-Mustanṣir (ahl-moos-TON-sihr), was the son of Caliph al-Ẓāhir and a dark-skinned Sudanese concubine named Rasad. At the age of eight months, he was declared successor to the caliphate. Al-Mustanṣir was raised in splendor and luxury at a palace in Cairo, a city founded a century earlier by the Fāṭimids, leaders of the then-dominant Shīʿite faction of Islam, who traced their descent from the Prophet Muḥammad's daughter, Fāṭimah. After his father died, al-Mustanṣir ascended to the throne in 1036, at the age of seven.

First Ventures

Although al-Mustanṣir was titular leader to millions of subjects across vast territory, his chief adviser (vizier), Ali bin Ahmad Jarjarai, made most decisions. When the vizier died in 1044, Queen Mother Rasad became her teenage son's closest adviser, assisted by a succession of mostly short-term viziers of varying degrees of honesty and capability.

In the decade of the 1040's, trouble arose with a schism in the Islam faith. Many Shīʿites converted to the more conservative, less tolerant Sunni branch. Natural disasters further complicated matters. The usually reliable Nile River ran low for several seasons, devastating crops. Famine was rampant for seven years. Amid the chaos and want, the caliph's army of mercenary soldiers, recruited from a dozen different territories, revolted. Light-skinned Turkish and Berber troops fought against dark-skinned former comrades from the Sudan. In pursuit of victory, the Berbers burned harvests and disrupted irrigation to worsen the famine and force their enemies to surrender. A plague swept through at the same time, decimating the weakened population.

Mature Wealth

The succession of tragedies affected the caliphate of al-Mustanṣir, and its territory of influence receded. Beginning in 1043, the Fāṭimids lost control of Algeria, Tunisia, Syria, and Sicily, and in 1099 would lose Palestine to the first wave of Crusaders.

In the 1060's, the Turkish mercenaries and their allies were victorious over the Sudanese and marched into Cairo. There, they sacked al-Mustanṣir's palace, making off with priceless works of art, jewelry, and other valuables sold for a fraction of their worth. A 600,000-volume library was wantonly destroyed. The caliph's stables, which once housed thousands of fine horses, were reduced to three scrawny nags. The Fāṭimid treasury, built up since the early tenth century, was quickly depleted. During their tenure in power, the Turks treated al-Mustanṣir with contempt, and the caliph had to rely upon charity to eat.

Although the Turkish mercenaries' revolt was suppressed in the mid-1070's, al-Mustanṣir never regained the power, wealth, or territory that circumstances caused him to lose. His mother was eventually removed from power, and viziers ran the government during the remainder of his reign. He died when he was sixty-four, having ruled as caliph in name, if not in fact, for fifty-seven years, longer than any other ruler of an Islam state.

Legacy

Al-Mustanṣir's second son, al-Mustaʿlī, succeeded his father as caliph in 1094. However, it was an empty title since the Fāṭimid caliphate had shrunk to roughly the size of modern-day Egypt. The caliphate collapsed in the 1160's. Saladin conquered Cairo in 1169, and Egypt was incorporated into a Sunni dynasty that would last until 1254, when the Mamlūks took control, continuing Arab rule until the advent of the Ottoman Empire in the sixteenth century.

With the passage of time, al-Mustanṣir's fame dwindled. The Fāṭimid fortune that had been acquired through tribute, taxes, and gifts was stolen and scattered. The Shīʿite-based dynasty that ruled for more than 250 years became extinct, and in the early twenty-first century the overwhelming majority of Muslims adhered to Sunni doctrines.

—*Jack Ewing*

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See also: Amenhotep III; Yacoub Cattaui; Cleopatra VII; Mohamed al-Fayed.

Samuel I. Newhouse

American media magnate

Newhouse rose from obscurity to build a vast, family-run empire of newspapers, magazines, radio stations, and television stations in eleven states. His reputation rests on his business acumen and attention to profitability much more than on his quest for journalistic excellence.

Born: May 24, 1895; New York, New York
Died: August 29, 1979; New York, New York
Also known as: Samuel Irving Newhouse; Solomon Isadore Neuhaus (birth name); S. I. Newhouse
Source of wealth: Media
Bequeathal of wealth: Children; charity; educational institution

Early Life

Samuel Irving Newhouse was the first of eight children born to two recent Jewish immigrants, Meier Neuhaus, a garment worker from Russia, and Rose Arenfeldt, a farm girl from Austria. When Newhouse was two, his family moved to Bayonne, New Jersey, where he started working at age twelve for Hyman Lazarus, a lawyer and judge. Although an eighth-grade dropout, Newhouse was an adept bookkeeper and subsequently an office manager, earning Lazarus's confidence. In 1911, at age sixteen, Newhouse started managing the *Bayonne Times*, a failing newspaper owned by Lazarus, and he quickly made it profitable by convincing local merchants to increase their advertising expenditures.

First Ventures

Newhouse purchased his first newspaper, the *Fitchburg News* (Massachusetts), in 1920 and sold it one year later at a significant profit. Although not a journalist, he understood the economic potential of newspapers, if managed efficiently. In 1922, Newhouse acquired the *Staten Island Advance* and established the pattern that became his hallmark: He found newspapers that were losing money, established control as the majority stockholder, but allowed local autonomy for the editors. He also promoted the benefits of his newspapers' advertising to local merchants; cut the costs of operation, in part by reducing staff; and then watched as the newspapers' circulation and profitability increased. During the Great Depression of the 1930's, Newhouse was able to expand his holdings, acquiring the *Long Island Daily Press* in 1932, the *Newark Evening Ledger* in 1935, and the *Syracuse Herald* and *Syracuse Journal* in 1939.

Mature Wealth

Throughout his business career, Newhouse never lost his thirst for purchasing new properties and maximizing profits. Starting in the 1940's and 1950's, his media empire broadened to include radio and television stations in Alabama, Missouri, New York, Oregon, and Pennsylvania. In 1959, he also entered the periodical publishing business, first by purchasing the Condé Nast chain of glossy magazines, including *Glamour*, *Vogue*, and *House & Garden*, and then the Street & Smith chain of similar magazines, including *Charm* and *Mademoiselle*. The consolidation of these magazines under one owner allowed Newhouse to offer better rates to potential advertisers.

No longer needing to find inexpensive bargains, Newhouse often paid top prices for some of the nation's most prestigious newspapers. For instance, he established new records with the acquisitions of the Portland *Oregonian* in 1950, *Birmingham News* and *Huntsville Times* in 1955, *New Orleans Times-Picayune* and *New Orleans States-Item* in 1962, *Cleveland Plain-Dealer* in 1967, and eight Michigan newspapers plus *Parade* magazine in 1976. With each new acquisition, Newhouse left the day-to-day operations in the hands of local editors, while ensuring that he and members of his family were the majority stockholders. Admittedly, not every attempt at expansion was successful; the *Baltimore Sun*, *Denver Post*, *New York Times*, *Omaha World-Herald*, *Philadelphia Inquirer*, and *Washington Post* all rebuffed his advances. Nevertheless, by the mid-1970's the Newhouse media empire encompassed some thirty newspapers with a total circulation exceeding three million, as well as twelve magazines, five radio stations, and six television stations.

In 1977, Newhouse suffered a slight stroke, and two years later he experienced a more serious stroke, from which he never recovered. He died in New York City on August 29, 1979.

Legacy

The extensive acquisitions made during Newhouse's sixty-five-year career elevated him and the holding company he established, Advance Publications, Inc., to the top rank of private media wealth. Moreover, his philanthropy established the prestigious Samuel I. Newhouse School of Public Communications at Syracuse University. However, the bulk of Newhouse's wealth was transferred to his heirs, primarily his two sons, Samuel I. Newhouse, Jr., and Donald E. Newhouse. They continued their father's legacy of paying record prices for lucrative properties and maintaining control of the business within the family, while still allowing editorial autonomy at the local level. The increased consolidation of the newspaper industry at the beginning of the twenty-first century, resulting in large media chains and fewer independent companies, owes much to the Newhouse family.

—*James I. Deutsch*

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See also: Walter Annenberg; Barbara Cox Anthony; David and Frederick Barclay; Lord Beaverbrook; Michael Bloomberg; Anne Cox Chambers; Katharine Graham; John H. Johnson; Robert L. Johnson; John Kluge; Rupert Murdoch; Kerry Packer; Ted Turner; Oprah Winfrey.

Stavros Niarchos

Greek shipping magnate and socialite

Niarchos led the way in modernizing Greece's shipping industry after World War II and assembled a larger merchant fleet than any of his competitors. One of the world's richest individuals, he pursued a lavish lifestyle, but he provided for the establishment of an international philanthropic foundation after his death.

Born: July 3, 1909; Athens, Greece
Died: April 16, 1996; Zurich, Switzerland
Also known as: Stavros Spyros Niarchos; The Golden Greek
Source of wealth: Shipping
Bequeathal of wealth: Children; charity

Early Life

Stavros Spyros Niarchos (STAHV-rohs SPEE-rohs nee-AHR-kohs) was born in Athens, Greece, after his naturalized American parents, Spyros and Eugenia (née Coumandaros) Niarchos, had returned to the land of their birth. He grew up in the nearby port of Piraeus and learned to sail at the age of nine. Niarchos was fourteen when his family went bankrupt, and although he studied law at the University of Athens, he eventually went to work at the flour-milling business owned by his maternal uncles.

First Ventures

An astute young man, Niarchos suggested that the Coumandaros brothers buy their own large freighters in order to cut the expense of shipping grain from Argentina. The Great Depression had made older ships available at bargain prices, and the move reduced the costs of importing grain by one-third. However, the brothers were reluctant to expand their fleet, and Niarchos left the firm in 1939, buying one of his uncles' ships through a London agent and creating his own company. He leased his small fleet to the British and American governments at the beginning of World War II and served in the Royal Hellenic Navy, although his growing wealth allowed him to spend most of his time in New York, London, and Egypt.

Mature Wealth

Several of Niarchos's ships were sunk during the war, but the insurance he collected for the losses allowed him to purchase American-made Liberty and Victory ships that had been mass-produced during the war. He set up a company involving his American-born sister in order to skirt laws regarding corporate ownership, and he registered the company in Panama to avoid American taxes, but he was nevertheless forced to pay $12 million in fines in 1953.

Niarchos also began commissioning oil tankers that were so large they would be dubbed "supertankers." During the Suez Crisis of 1956, which forced ships to travel around Africa rather than through the Suez Canal, he reportedly made additional profits of $1 million per day.

Niarchos had long been in competition with fellow shipping magnate Aristotle Onassis, and in the late 1940's the two had married the daughters of another important shipping figure, Stavros G. Livanos. Niarchos eventually triumphed over his competitor, and by the mid-1960's he owned some eighty vessels. After his wife

Stavros Niarchos. (AP/Wide World Photos)

Eugenia died of an apparent overdose of sleeping pills in 1970, Niarchos married her sister Athina, who had earlier divorced Onassis. In 1974, Athina also died of an overdose of sleeping pills.

World shipping fell into a slump in 1972, but Niarchos, who had begun to diversify into such activities as oil refining and aluminum production, had already sold most of his fleet. He spent his remaining years collecting art, skiing in Switzerland, raising racehorses, and sailing on his 377-foot yacht, *Atlantis II*. He suffered a stroke in 1996 and died on April 16 of that year.

Legacy

Niarchos, whose name means "master of ships" in Greek, owed his success to his competitive spirit, as well as his keen business sense. After studying the practices of Norwegian shipping companies, he realized the possibilities of investing in fleets of large merchant ships, and he went on to pioneer the construction of supertankers. By the mid-1960's his fleet had become the largest in the world, and at the time of his death his family's wealth was said to be between $4 and $10 billion.

Niarchos had donated $5 million to the New York Hospital-Cornell Medical Center in 1979 to cover the costs of operating on Greek children, and he left the majority of his enormous estate to establish the charitable Stavros Niarchos Foundation, the administrators of which included his two eldest sons. His heirs began to dispose of the few remaining vessels of the Niarchos fleet in 2003, citing the increased risks involved in shipping.

—*Grove Koger*

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See also: John Ellerman; Aristotle Onassis; George Steinbrenner.

Nicias

Athenian mine owner, military leader, and statesman

Nicias's wealth allowed him to play a major role in Athenian public life, both in politics and in military affairs.

Born: c. 470 B.C.E.; possibly Athens (now in Greece)
Died: 413 B.C.E.; Sicily (now in Italy)
Also known as: Nikias
Sources of wealth: Inheritance; mining; slaveholding
Bequeathal of wealth: Government

Early Life

Nothing is known about the early life of Nicias (NIHSH-ih-uhs). Although it is thought that he was born in Athens about 470 B.C.E., there is no factual confirmation of that date. His father was Niceratus.

First Ventures

Ancient Greece was a relatively poor land in natural resources. Mountains dominated much of the landscape, and good agricultural lands were limited. In addition, there were few minerals. However, around 500 B.C.E. significant deposits of silver were discovered in the district of Laurium near Athens. Nicias's father developed the mines, which were worked by slaves under horrendous conditions but were extremely valuable. At the time of his father's death, the date of which is unknown, Nicias inherited the mines with their one thousand slaves, becoming one of the wealthiest Athenians.

Mature Wealth

Because of the continued income from his silver mines, Nicias became a force in Athenian life. In fifth century B.C.E. Athens, wealthy individuals, such as Nicias, were expected to use their financial resources not only for personal consumption but also for the community as a whole. By the early 400's, democracy had taken root in Athens, and all free-born Athenian males whose parents were also native Athenians had equal political rights, including the right to participate in the *ecclesia*, or legislature, and to serve in administrative and judicial bodies. Of course, equality was not absolute, as there would generally be a certain amount of deference given to scions of the old aristocratic families and to those with more wealth. Nicias apparently was not a descendant of Athenian aristocrats, but his wealth gave him a significant presence in Athens.

The rich people of Athens used their wealth to become patrons of the arts, supporting painters and sculptors and providing prizes that were given to playwrights, such as Aeschylus and Sophocles. In addition, the wealthy were expected to pay for the naval ships that were crucial to Athens's glory and survival, both in war and in peacetime trade. According to the ancient Greek biographer Plutarch, Nicias was of the aristocratic party, the "good and the true," as opposed to the democratic faction led by Pericles, an Athenian statesman, who gained ascendancy over the city around 460 B.C.E.

Nicias constructed offerings to the gods, including one on the Acropolis, and he provided choral and gymnastic exhibitions for the general populace, including lavish gifts to the island of Delos, the supposed birthplace of the god Apollo. His gifts and donations were given in part to increase his political influence in Athens. Although praised for his virtue, Nicias was timid and possibly inhibited by the democratic faction. He held numerous military commands, but they were for the most part safe rather than adventurous. He was particularly pious and was constantly guided by heavenly signs and portents.

In 431 B.C.E., the Peloponnesian War began between Athens and Sparta and their numerous allies. After the death of Pericles in the great plague that struck Athens in 429, Nicias's political opponent and spokesman for the democrats was the flamboyant Cleon of Athens, who died in battle in 422. Probably never enthusiastic for the war, Nicias arranged a fifty-year peace in 421, named the Peace of Nicias, which essentially restored the city to the rule that had existed at the beginning of the war.

However, Alcibiades of Athens, the foremost democratic politician in this city-state, campaigned against the truce. War broke out again in 415, with Alcibiades advocating a campaign in Sicily, which he claimed would result in considerable loot that could be employed against Sparta. Nicias reluctantly accepted joint command with Alcibiades, but the latter was forced out because of a scandal. In a battle fought in Sicily against Syracuse, Nicias was too cautious and was outmaneuvered. In 413, according to the historian Thucydides, Nicias unfortunately postponed an Athenian retreat for twenty-seven days because of an eclipse of the moon. The surviving Athenians were forced to surrender, and Nicias was executed.

Legacy

As a result of his silver mines, Nicias was one of the wealthiest Athenians. As late as the fourth century B.C.E. the historian Xenophon wrote about Nicias's silver mines and their slaves.

He used his wealth to enhance Athens and to further his political prospects. Despite his fortune and power, however, he lacked sufficient military ability, and his reputation sank after the Sicilian debacle.

—*Eugene Larson*

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See also: Agamemnon; Hipponicus II; Pasion.

Alfred Nobel

Swedish inventor and industrialist

Nobel used the wealth accumulated from his patented inventions and business enterprises to establish the Nobel Prizes, which have been presented every year since 1901.

Born: October 21, 1833; Stockholm, Sweden
Died: December 10, 1896; San Remo, Italy
Also known as: Alfred Bernhard Nobel
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Nobel Prizes

Early Life

Alfred Bernhard Nobel (noh-BEHL) was born in Stockholm, Sweden, in 1833. That same year, his father, Immanuel Nobel, went bankrupt, and the elder Nobel then moved to St. Petersburg, Russia, to try to recoup his fortunes. Immanuel successfully established a factory for the manufacture of military land mines with which he supplied the Russian army, and in 1842 he moved his family to St. Petersburg, where Alfred and his siblings received excellent educations via private tutors. By age seventeen, Alfred was fluent in five languages, which served him well in his later business ventures. The tutors also instructed him in chemistry, physics, literature, and the classics.

In order to broaden the boy's education, Alfred's father sent him to study abroad in 1850. During a two-year period, Alfred visited France, Germany, Sweden, and the United States. While in Paris, he worked in the private laboratory of the noted chemist Théophile-Jules Pelouze, where he met the young Italian chemist Ascanio Sobrero. Three years earlier, Sobrero had invented nitroglycerin. Nobel became interested in the practical applications of this highly explosive liquid.

First Ventures

In 1852, Nobel's father asked him to return to St. Petersburg to work in the family business, which was booming because of the Crimean War. In Russia, Nobel and his father looked for ways to make the highly unstable nitroglycerin into an explosive that would be useful in warfare, mining, and construction. When the Crimean War ended in 1856, Immanuel Nobel's business in Russia began to fail and he once again went bankrupt. He returned to Stockholm, while Alfred remained in St. Petersburg and continued his experiments with nitroglycerin.

Alfred rejoined his father in Sweden in 1863 and devoted all his attention to turning nitroglycerin into a viable tool for mining and construction. After an explosion in 1864 killed several people, including his brother Emil, Alfred moved his experiments to a barge anchored in a lake. He developed methods for making nitroglycerin into a paste, which he patented in Great Britain in 1867 under the name of dynamite. He also invented a detonator ignited by lighting a fuse to set off the dynamite. These inventions greatly reduced the costs of many forms of construction.

Mature Wealth

By 1865, the factory Alfred established near Hamburg, Germany, exported nitroglycerin products to mining and construction enterprises throughout Europe, America, and Australia. His invention of dynamite coincided with a period of intense infrastructure expansion throughout western Europe and the rapidly industrializing world. In 1866, he established factories in New York and San Francisco. Nobel's products greatly reduced the cost of moving large quantities of rock, blasting tunnels, and other forms of construction work. In 1867, he patented dynamite in several countries and the following year obtained a patent in the United States. By the time of his death, Nobel owned more than 350 patents worldwide.

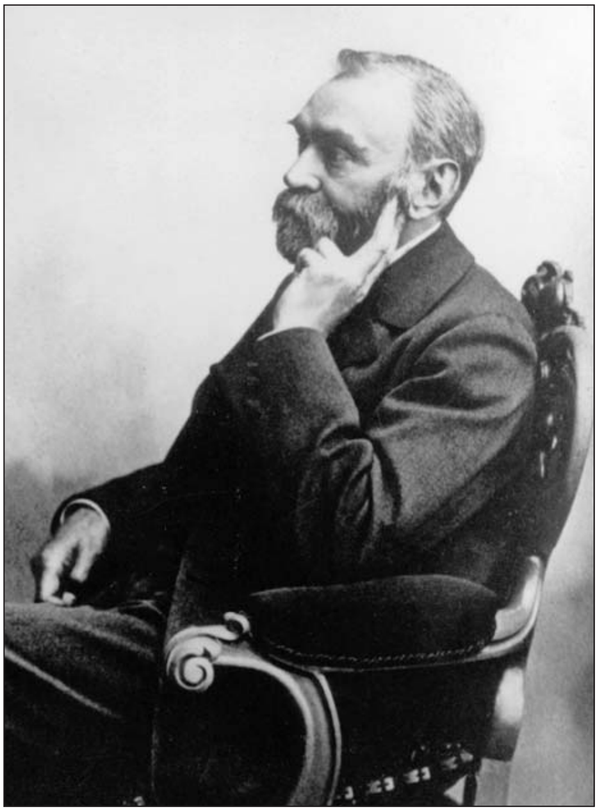
Nobel eventually established businesses in more than twenty countries, to which he constantly traveled, in part to defend his patents from those trying to steal his invention. Nobel spent most of his time working in his laboratories in Stockholm, Hamburg, and San Remo, where he devoted much of his attention to the development of explosives. Later he began developing other chemical inventions, such as synthetic rubber, leather, and silk. By age forty, Nobel had amassed a fortune and ran a successful international business empire.

In the 1870's, while traveling in Russia to seek sources of walnut for rifle stocks for his St. Petersburg arms manufacturing company, Nobel ended up buying potential oil-producing lands near Baku in Azerbaijan. He brought oil drillers from the Pennsylvania fields in the United States to modernize the Russian oil industry. By 1880, Nobel had completed the construction of the first oil pipeline to transport oil from Baku to Europe. With the profits from the pipeline, he built the world's first oil tanker and the first continuous-process oil-refining plant. The productivity of Nobel's Baku oil fields prevented John D. Rockefeller's Standard Oil Company from establishing the same monopoly position in Europe that it attained in the United States.

During the 1870's and 1880's, Nobel established a number of factories and companies throughout the world to exploit his explosives. He continued his own experiments to develop increasingly powerful explosives. In 1875, he invented a more powerful form of dynamite that he patented in 1876 under the name of blasting gelatin. He also invented a largely waterproof explosive he called nitrocellulose, and he marketed both this product and his blasting gelatin with great success.

In 1887, Nobel's laboratories developed ballistite, a smokeless, slow-burning projectile propellant, which was widely adopted by militaries around the world. Ballistite was Nobel's last major invention but one of the most profitable. Nobel subsequently founded a number of companies that continued to influence the world's economy into the twenty-first century.

Despite poor health, Nobel constantly traveled internationally long before the development of jet aircraft. His mastery of languages served him well in his business ventures. He made time in his busy schedule for an active interest in philosophy, natural sciences, and literature. He kept a journal in which he commented on the works of Greek philosophers, Voltaire, and Charles Darwin. He described himself as an idealistic misanthrope.



Alfred Nobel. (The Nobel Foundation)

Nobel never married. He did develop a close relationship with Bertha von Suttner, his housekeeper for a brief period. After she left his employ to marry, the two continued to correspond for decades. She became heavily involved in the international peace movement of the late nineteenth century, eventually writing an influential book *Die Waffen nieder!* (1889; *"Ground arms!" "Die Waffen nieder!" A Romance of European War*, 1906), which apparently had a profound effect on Nobel and his decision to include provisions in his will for a prize for persons or organizations promoting international peace. He had been interested in international peace for some time. He had optimistically predicted that his invention of dynamite would make war impossible because it contained the potential for mass destruction. Nobel was also enamored from an early age with literature. He wrote poetry and dramatic works. The other Nobel Prizes established in his will fulfilled his longtime interests in literature, chemistry, physics, and medicine.

In 1891, adverse publicity forced him to leave Paris, his residence of choice. He left after accusations of espionage by the French government concerning his sale of war matériel to the Italians. He moved to an estate he bought in San Remo, where he lived for the rest of his life. Nobel died of a cerebral hemorrhage on December 10, 1896, at his home in San Remo. He is buried at the Northern Cemetery in Stockholm.

Legacy

Nobel's will provided for the establishment of five international prizes to be awarded each year for outstanding accomplishments in physics, chemistry, physiology or medicine, literature, and peace. Many people consider these prizes the most prestigious awards in their fields. In addition to international recognition, the prizes carry a substantial cash award from the fund created by Nobel's considerable fortune, usually amounting to about $1 million each. The money not only rewards the recipients for their achievements but also allows them to carry on advancements in their fields. In 1969, the Bank of Sweden established a prize in Nobel's name in economics.

In the years since the awards were first presented in 1901, many famous people have received Nobel Prizes, including President Theodore Roosevelt, physicist Al-

Nobel Prizes

Alfred Nobel signed his last will and testament at the Swedish-Norwegian Club in Paris on November 27, 1895. In it, he left the bulk of his estate, 94 percent of 31 million kroner (about $186 million in 2008 U.S. dollars), to establish an endowment to award five prizes annually to individuals for outstanding achievements in physics, chemistry, physiology or medicine, literature, and the advancement of international peace.

The prizes were first awarded in 1901 for the equivalent of about $1 million in 2008 U.S. dollars. In 1969, the Bank of Sweden began awarding a prize in economics in Nobel's name. The prizewinners receive the awards each December 10, the anniversary of Nobel's death, in Stockholm, Sweden, except for the Peace Prize. The Norwegian parliament chooses the Nobel Peace Prize recipient and presents that prize in Oslo, Norway. Sweden and Norway were both part of the Swedish-Norwegian Union when Nobel wrote his will, and the will mandated that the peace prize be awarded by a Norwegian committee, while Swedish committees would present the other prizes.

The Royal Swedish Academy of Science selects five people to serve on each of the committees that choose the recipients of the prizes in physics, chemistry, and economics. A committee of four or five members of the Swedish Academy selects the recipient for literature each year. The Karolinska Institutet elects fifty members to the Nobel Assembly, which then chooses five members to serve on a committee to select the prize winner for physiology or medicine. The Norwegian parliament elects five members to serve on a committee to choose the recipient of the peace prize. These committees then ask several thousand people to nominate candidates for each of the awards. Experts in the disciplines then scrutinize the credentials and achievements of each of the nominees until only about fifteen names remain in each field. The respective committees then vote on the remaining candidates.

Each prizewinner (there are often multiple winners in physics, chemistry, physiology or medicine, peace, and economics) receives a medal made of eighteen-carat green gold plated with twenty-four-carat gold, a diploma, and a cash award worth approximately $1.2 million in 2008 U.S. dollars. The Nobel laureates often donate their cash awards to charity. In the event of two winners, the cash is equally divided; if three or more win, the cash may be divided according to the will of the committee. The king of Sweden presents the awards for physics, chemistry, physiology or medicine, literature, and economics in Stockholm; the king of Norway presents the prize for peace in Oslo.

From their inception, the Nobel Prizes have been marred by controversy. Candidates often have received awards for which they were deemed unworthy. President Theodore Roosevelt received the 1901 award for peace, even though he involved the United States in a war in the Philippines. Philipp Lenard and Johannes Stark received awards in physics in 1905 and 1919, respectively, although they were later associated with Adolf Hitler's National Socialist movement in Germany. Other people who many felt were worthy of awards never received them. For example, Mahatma Gandhi, a leader of the Indian independence movement, was nominated several times but was never presented a prize. Nevertheless, the Nobel Prizes remain perhaps the most prestigious awards in the world and their bestowal has come to have a social and political, as well as intellectual, significance. When, for example, the Peace Prize was awarded to U.S. president Barack Obama in 2009, many (including the president himself) saw the award as the expression of a hope in the promise of the new American administration after a period of war. That the Nobel Prizes—particularly the Peace Price—could have such symbolic impact is a testament to the stature they have attained since their establishment in 1901.

bert Einstein, and British prime minister Winston Churchill. The prizes have also provoked controversy about the omission of perceived worthy recipients and debate among experts in the various fields of the awards. Nevertheless, the prizes remain among the most prestigious and influential in the world.

—*Paul Madden*

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See also: Alfred I. du Pont; Henry Francis du Pont; Irénée du Pont; James Smithson.

Luis Noboa

Ecuadoran industrialist

Known as the Banana King, Noboa helped make Ecuador the leader in the export of high-quality bananas and built a worldwide conglomerate. He left a fortune estimated at $2 billion that became the subject of bitter rivalry among his family.

Born: February 1, 1916; Ambato, Ecuador
Died: April 28, 1994; New York, New York
Also known as: Luis Adolfo Noboa Naranjo (birth name); the Banana King
Sources of wealth: Agricultural products; trade
Bequeathal of wealth: Spouse; children

Early Life

Luis Noboa (loo-EES NOH-boh-uh) was born in Ambato in the Ecuadoran province of Tungurahua. Ambato was a picturesque town set in the mountains. Noboa's father, Luis Adolfo Noboa Ledesma, was a dentist; his mother, Zoila Villota Matilde Naranjo, worked as a seamstress. The family was of Lebanese heritage, an ethnic group that found great commercial success in Latin America. When Noboa was four years old, his father died in a horse-riding accident. His mother, Zoila, was left a widow with young children and three pounds of gold that her husband had saved from his business.

Zoila moved her family to Guayaquil, Ecuador's largest city. She was an enterprising woman, and she sold some of her gold to launch several commercial ventures. Noboa, known at this time as Adolfito, left school at eleven and became a salesman for the magazine *Savia*. At twelve, he began working in the Banco Sociedad General de Crédito, owned by Juan Francisco Marcos, Ecuador's wealthiest individual. In 1929, Noboa, who had a talent for math and numbers, a useful asset for a businessman, took courses in accounting at a local college.

First Ventures

With the money he saved from his various ventures, Noboa was able to set up his own shop in 1933 on a busy commercial boulevard in Guayaquil. Here he exchanged money and sold lottery tickets, souvenirs, hats, pens, and food items, in particular whole grain rice. He acquired a reputation for his hard work and business drive.

In 1935, the Standard Fruit Company set up operations in Ecuador. Noboa and Marcos's son, Juan Xavier Marcos, established the Compañia de Comercio y

Bequeathing Great Wealth

It is one thing to accumulate a vast fortune; it is another thing entirely to pass it on to the next generation. For better or for worse, great wealth is at its most vulnerable when its originator dies. Before wealth can be claimed by the next generation, it may have to escape confiscation by the government, estate and generational taxes, the grasping hand of the probate system, dispersal among many heirs, fraud, forged wills, and litigation spurred on by dissatisfied beneficiaries and avaricious lawyers.

Thomas Jefferson wrote that the wealth of the earth belonged to the living; at the conclusion of life, one's wealth should revert to society. After the Russian Revolution, the Soviets abolished inheritance in 1918; upon the death of a Soviet citizen, all of his or her property, including land, capital, and personal items, became property of the state. This law, forbidding the bequeathal of even toothbrushes and keepsakes, was found to be too onerous, and in 1922 it was repealed to enable personal items to be inherited. The Soviet experience, however, is the exception to the rule. The desire to bequeath wealth is a part of human nature, and it has been the common practice of most societies to allow the wealthy to leave their money to whomever they desire, with various incentives to ensure that this money is given to one's spouse, children, and charitable enterprises.

The way that money is passed on is a matter of great importance. The law of England and of many other nations was primogeniture, meaning that all of a man's property descended to his oldest son. As a result, the great estates of England were left intact for centuries. In addition, England employed the "fee tail" to prevent any of the property attached to great estates from being transferred outside the family. In contrast, property in the United States was evenly divided among one's children, a practice that Alexis de Tocqueville, in the third chapter of *De la démocratie en Amérique* (1835, 1840; *Democracy in America*, 1835, 1840), attributed to the egalitarian ethos of the new nation.

In most modern democracies, the wealthy are allowed to bequeath money as they desire, with a certain portion reserved for the government as an estate tax. Through tax laws, the wealthy are encouraged to make charitable gifts to foundations and other entities; with careful estate planning, such bequests more often preserve large fortunes rather than diminish them. Perhaps the greatest threat to large fortunes is litigation, as beneficiaries and those who feel they should be beneficiaries battle over distribution of the estate. Many great fortunes have dissolved in the rancor, expense, and legal fees of testamentary contests in court. Even the wealthiest individual can produce great bitterness with a poorly planned legacy. The Noboa family is certainly a glaring example, exacerbated by a contest between the children of Ecuadoran businessman Luis Noboa's first and second marriages. The Noboa heirs spent more than nine years and $20 million battling over Noboa's immense fortune.

Transporte S.A. with capital of 500,000 sucres to supply fruit to the Standard Fruit Company for export to North America. (The sucre, the Ecuadoran currency, was at this time valued at about $10 to 1 sucre.) Noboa and Marcos steadily increased their supply of bananas to Standard Fruit, and they also provided rice to the Argentinean firm of Bunge y Born for export to markets in Japan, South Africa, and India. In 1950, Noboa established the Industrial Molinera S.A. wheat flour company. Supplying the Quaker Oats Company, an American firm, with high-quality flour, Industrial Molinera soon became the largest wheat exporter in Ecuador. Noboa's Ultramares El Café company exported coffee and cacao around the world.

Noboa married Isabel Avila Ponton, with whom he had six children—Luis, Isabel, Diana, Álvaro, María Elena, and María Leonora—before divorcing.

Mature Wealth

By 1955, Noboa had become a multimillionaire. He was able to buy out Marcos's shares of Compañia de Comercio y Transporte S.A. for about $30 million. Noboa acquired the first of several agricultural farms, San Luis. He also established the Grupo Noboa as a holding company for his burgeoning line of businesses. The centerpiece of his conglomerate was Exportadora Bananera Noboa, S.A., one of the leading banana exporting companies in the world. On April 18, 1956, he led the Ecuadoran delegation to the International Conference of Banana Producers, lobbying against the assignment of export quotas by country. Ecuador became the world's leading banana supplier. By 1977, Exportadora Bananera Noboa, S.A. sold 47 percent of the bananas that were exported from Ecuador. Noboa's company marketed the Bonita brand of bananas, and he earned the nickname Banana King.

Practicing a business model of vertical integration, Noboa controlled his banana operation from top to bottom, owning twelve banana plantations covering thirty-five thousand acres; a company that provided aerial spraying of pesticides; Industria Cartonera Ecuatoriana, which produced cardboard containers for the bananas; and the shipping company Transportes Martimos Poultier, with a fleet of ships with refrigerated holds that exported the bananas without premature ripening. Noboa's conglomerate also included Ecuador's largest sugar mill, automobile factories, the Seguros Condor insurance company, and banking. His labor practices generated some controversy, and he was accused of mistreating workers and using child labor.

In 1971, Noboa divorced his first wife, granting her a large settlement. He married Mercedes Santistevan, who had divorced her husband, a business rival of Noboa. With the overthrow of President José María Velasco Ibarra, a Noboa ally, the following year, Noboa spent more time outside Ecuador. He continually denounced leftist economic reforms. Noboa learned English and located his corporate headquarters in New York City, where he oversaw his worldwide shipping and trading operations and other businesses.

In 1985, Noboa and his wife purchased an apartment in a building at 740 Park Avenue from billionaire Steven J. Ross for $4.1 million. The apartment house at 740 Park Avenue is renowned as the world's richest apartment building, and the Noboas settled into the rarefied and competitive social life of its fabulously wealthy residents. The Noboas lived in a gilded triplex penthouse, spanning the seventeenth to the nineteenth floors. Their apartment contained sixteen rooms and eight bedrooms, with seven bathrooms, terraces on every floor, and accommodations for a cadre of maids and servants. A huge media room featured theater seating for screening films. When Mercedes Noboa sold the apartment in 2004, its value had climbed to $28 million. The Noboas resided in the apartment for several months of the year, mixing with the elite of Manhattan and entertaining lavishly. The remainder of the year they lived in other luxurious homes they maintained in Southampton, New York, a summer retreat of the wealthy, in Lyford Cay in the Bahamas, and in Ecuador.

Noboa died in 1994, leaving a fortune estimated at $2 billion, including his operations in bananas, coffee, sugar refining, flour milling, soft drinks, shipping, banking, insurance, airlines, fertilizers, and industrial manufacturing. His widow Mercedes received 48 percent of his estate, and she held 4 percent in trust. The remaining 48 percent went to his children and grandchildren. The validity of his will was immediately attacked by a bevy of high-priced lawyers.

Legacy

Luis Noboa created one of the largest Latin American conglomerates. His foremost business was his Bonita brand of bananas, and he was one of the world's leading banana suppliers. In addition, he expanded into almost every other line of business in Ecuador. His will was contested upon his death, with his heirs spending more than nine years and $20 million fighting over his fortune. After a bitter court battle, his son Álvaro Noboa controlled the enterprises and rebuilt the family fortune.

A controversial figure in his own right, Álvaro Noboa ran twice for the presidency of Ecuador as a member of the National Institutional Renovation Action Party. He also built the Luis Noboa Naranjo Museum to commemorate his father. This museum, located in the center of Guayaquil, opened in 2006. A replica of Noboa's Exportadora Bananera office is on display, filled with keepsakes from his many businesses. The museum also showcases hundreds of works of art collected by Noboa.

—*Howard Bromberg*

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See also: Jorge Wolney Atalla; Sebastião Camargo; Andrónico Luksic; Francisco Matarazzo; José de Moraes.

MWENE MATAPA NYATSIMBA
Shona monarch

Nyatsimba founded a flourishing empire in southeastern Africa and was one of the greatest African monarchs. His kingdom engaged in industry and trade with the rest of the world in the last years before European conquest changed the continent.

Born: c. 1400; Kingdom of Zimbabwe (now in Zimbabwe)
Died: c. 1450; Kingdom of Mutapa (now in Zimbabwe)
Also known as: Nyatsimba Mutota (birth name); Mwene Mutapa Nyatsimba; Mutapa Mutota
Sources of wealth: Inheritance; conquest; trade
Bequeathal of wealth: Unknown

EARLY LIFE

Mwene Matapa Nyatsimba (MWEH-nay mah-TAH-pah nyaht-SIHM-bah) was born in southern Africa around 1400, the son of Chikura Wadyambeu, a prominent chief, or *mambo*. Nyatsimba is said to have descended from Mbire, the king who is credited with crossing the Zambezi River and conquering the land that is now Zimbabwe and Mozambique around 1000-1050, establishing the Mbire or Matapa Dynasty. The name Mwene Matapa Nyatsimba is composed of two Bantu words, *mwene*, meaning lord or chief, and *matapa*, meaning "the ravished lands" or "the conquered lands." Mwene Matapa, also known as Mwene Mutapa, and in Portuguese as Monomotapa, became the name of the Shona kingdom that rose in the early fifteenth century between the Zambezi and Limpopo Rivers in southeastern Africa. Nyatsimba, the first ruler of this kingdom, used the term Mwene Matapa to refer both to his kingdom and to himself, as did his successors. The Shona at this time had no written language, and so precise dates and names are difficult to determine.

FIRST VENTURES

According to oral tradition, Nyatsimba was sent by his father on an expedition to find a source of salt. To the north of his father's lands, he found the Tavara tribe, who lived on a bend in the Zambezi River that had good supplies of salt, as well as elephants and other game. Nyatsimba conquered the tribe and set himself up as king of Mwene Matapa around 1420 or 1430, establishing a capital in the middle of the Zambezi Valley in the ancient stone city known as the Great Zimbabwe (or "great stone city"). At its peak, this city was home to more than twenty thousand people.

Mwene Matapa became the first major civilization to become established in Zimbabwe, that is, the first state with permanent settlements, government, industry, and trade. The area was rich in natural resources, including salt, copper, and gold, and soon the kingdom had flourishing textile and ironwork industries, as well as agriculture and trade. Another important source of wealth was the plundering of neighboring lands.

MATURE WEALTH

By the time Nyatsimba died, around 1450, he had expanded the territory of his kingdom to include most of what is now Zimbabwe and Mozambique. Nyatsimba's personal fortune included gold, copper, jewels, elephants, and even Chinese porcelain. His capital city was located near Mount Fura on the Zambezi River. Many scholars believe that the Great Zimbabwe declined about this time because its gold was petering out and the environment had degraded from overuse and drought.

From this new capital, Nyatsimba continued to expand his territory through conquest. Nyatsimba was still the undisputed king, said to have a staff of one hundred female bodyguards and vassals ruling over smaller regions of the kingdom. The vassals' loyalty was bought, in part, with gifts of cattle herds, captured from other tribes. Nyatsimba had a large circle of advisers, made many decisions through consensus, and sent ambassadors to forge trust with trading partners. The kingdom by this time was involved in the copper trade and was a part of a network of gold traders that had extended its business to China.

LEGACY

Mwene Matapa Nyatsimba created one of the richest of the great African kingdoms, lasting from about 1420 to 1629. Under the leadership of his son, Matope Nyanhehwe, the state remained strong, but it began to decline with the next generation. In the seventeenth century, the kingdom was invaded and conquered by the Portuguese. Nyatsimba, or perhaps his son, was the last ruler to inhabit the Great Zimbabwe, an architectural marvel that had begun flourishing as one of the world's great cities in the eleventh century. The city was deserted by the end of the sixteenth century when Portuguese traders first saw it.

—*Cynthia A. Bily*

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See also: Mansa Mūsā; Osei Tutu; Tenkamenin.

WILLIAM S. O'BRIEN

American silver mining magnate and banker

O'Brien is one of the four Comstock Lode silver kings, who worked with his three colleagues in such business ventures as Nevada silver mines and the Bank of Nevada. His partnerships with these men made O'Brien one of the richest people in the West during the Gilded Age.

Born: c. 1826; Ireland
Died: May 2, 1878; San Rafael, California
Also known as: William Shoney O'Brien
Sources of wealth: Mining; banking
Bequeathal of wealth: Relatives

EARLY LIFE

William Shoney O'Brien came to New York City from Ireland when he was a child. As a youth, "Billy" worked in a grocery store. Struck by gold rush fever, he landed in San Francisco on July 6, 1849. O'Brien planned to make money by selling merchandise to gold miners rather than mining for gold himself, but he initially was penniless and made a living by loading and unloading ships.

William S. O'Brien. (Hulton Archive/Getty Images)

O'Brien then operated a tobacco shop with one partner before opening a ship chandlery with another. He also joined a volunteer fire company, California Engine Company No. 4, which served more as a social club than a public safety endeavor. In later years, O'Brien would be prouder of having once been foreman of the fire company than of being a member of the most powerful mining combine in the West. The engraved silver trumpet that he received as foreman became his most valuable possession.

FIRST VENTURES

In 1857, O'Brien joined James Clair Flood in opening a saloon, the Auction Lunch. O'Brien, always the sociable charmer, greeted customers on the sidewalk in a high silk hat, while Flood poured drinks. Both O'Brien and Flood profited greatly from the tips they received from stockbroker customers at their saloon. By 1867, the men had earned $60,000. They closed the Auction Lunch to concentrate on their stockbrokerage. The two stockbrokers met two Virginia City, Nevada, speculators, James G. Fair and John William Mackay, who were trying to take over a Comstock Lode silver mine. The four soon formed a partnership, with O'Brien as the least forceful but most popular member of the group.

MATURE WEALTH

When asked later in life how he had acquired his millions of dollars, O'Brien gave a stock answer that he had caught hold of the tail of an ascending kite and held on. O'Brien's value to the Comstock Lode group seems to have been that of a peacemaker. Respected by the others, he served as a mediating force when their sometimes volatile personalities clashed.

O'Brien paid $25,000 in 1875 for a seat on the San Francisco Stock and Exchange Board but seldom used it. He owned a 25 percent interest in the Bank of Nevada and served on its board of directors. However, he rarely was found in his office at the bank. O'Brien obviously had little interest in business. He spent most of his afternoons playing games of pedro in a San Francisco saloon with a group of friends. The stakes were always low, but O'Brien kept a tall stack of silver dollars at hand, and down-on-their-luck friends knew that they could help themselves. He also displayed considerable generosity to his widowed sisters and his nephews and nieces. A lifelong bachelor, O'Brien provided opulent homes, luxuries like the latest Paris gowns, and travel for his sisters and their families.

O'Brien never enjoyed robust health and built an elaborate mausoleum at Calvary Cemetery in anticipation of his death. He died in 1878 with a fortune estimated at $12 million, which he left to his relatives.

Legacy

O'Brien is an unusual type of Gilded Age multimillionaire. He largely made his money through luck and charm rather than hard work. He had little interest in ostentatiously displaying his wealth, and money apparently changed him not one bit. Of all the Gilded Age millionaires, he is probably the most shadowy. Nevertheless, he is one of the men who helped to build the city of San Francisco by channeling the profits of Nevada's Comstock Lode into banking. Through his partnership with the other silver kings, O'Brien helped the West grow.

—*Caryn E. Neumann*

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See also: William Andrews Clark; Marcus Daly; James G. Fair; James Clair Flood; Meyer Guggenheim; George Hearst; F. Augustus Heinze; John William Mackay.

Odo of Bayeux

Norman aristocrat, military leader, and churchman

The leading landholder in England next to the king, Odo of Bayeux wielded tremendous political power. However, his seemingly insatiable acquisitiveness and lack of moral principles made him many enemies, and in the end he fell from royal favor.

Born: c. 1036; Normandy, France
Died: February, 1097; Palermo, Sicily (now in Italy)
Also known as: Earl of Kent
Sources of wealth: Conquest; real estate
Bequeathal of wealth: Unknown

Early Life

Odo of Bayeux (OH-doh uhv bah-YEH) was the eldest son of Herleva of Falaise and her husband Herluin de Conteville. Reputedly the daughter of a tanner named Fulbert from the Norman town of Falaise (now in France), Herleva had previously had a son out of wedlock, Richard Fitz Gilbert, whose father was Gilbert, count de Brionne. She also gave birth to another son, William, whose father was Robert I, the duke of Normandy; William would come to be known as William the Conqueror. Robert I had Herleva marry Herluin, and Odo's birth was followed by that of his brother Robert, who later became the count de Mortain. Nothing else is known of Odo's life before 1049.

William, though illegitimate, was Duke Robert I's only surviving son and heir designate. When the duke died suddenly while returning from a pilgrimage to the Holy Land in 1035, William became duke. William had a perilous early reign, filled with opposition, plots, assassinations, and infighting. He survived and had won the power struggle by 1050. It was either in 1049 or in 1050 that William appointed his half brother, Odo, the bishop of Bayeux. This appointment was not an unusual course of action during the early medieval era. Relatives of rulers were often granted key ecclesiastical offices because these relatives were presumed to be loyal to the kings and would be in a position to help these rulers maintain power.

First Ventures

By 1066, it was evident that Odo had risen highly in his half brother William's favor. Odo was one of the major counselors for the duchy of Normandy, and he had already accumulated great wealth from the incomes of his ecclesiastical and feudal estates. William believed he was the rightful king of England. When William formed plans to invade England and overthrow King Harold II, Odo pledged to provide William's invasion fleet with 100 ships, second only to the 120 ships promised by Odo's brother Robert de Mortain.

However one may interpret the events of 1066 as depicted in the Bayeux Tapestry, it is obvious that Odo did play an active role in the Battle of Hastings. Knights who were later identified as his vassals certainly participated, and Odo himself is thought to have acted as a second-in-command. At a crucial juncture, brandishing a mace, he rallied groups of inexperienced, panicked Norman and

Breton knights and brought them back into the fray. To what extent, if any, he was involved in frontline fighting is conjectural. Following William the Conqueror's coronation as king of England on December 25, 1066, Odo was named the earl of Kent. This title came with extensive tracts of land and such power and responsibility that Odo was subordinate only to William himself.

Mature Wealth

The earldom of Kent was vast and lucrative, with at least 439 estates located primarily throughout England's eastern shires. Added to his Norman holdings, the net value of Odo's possessions probably exceeded $9.5 billion (in 2010 dollars). Whenever Odo went on a punitive military campaign to quell revolts or put down unrest, he took the opportunity to augment his wealth through pillage, plunder, and extortion. As the result of his actions, he developed a reputation as a demanding and rapacious overlord.

During the years immediately following the Norman Conquest, William's trust in Odo appears to have been absolute. Sometimes Odo would accompany William from England to Normandy and back. On those occasions when Odo stayed in England, he seems to have functioned either as the king's deputy (this position would shortly be called "lord justiciar") or as colieutenant with his brother Robert de Mortain.

The first challenge to William the Conqueror's kingdom occurred in 1067, when, for obscure reasons, the king's erstwhile ally at the Battle of Hastings, Eustace II, count of Boulogne, launched a surprise attack on Dover. Although Odo was miles to the north, the castle garrison held out and Eustace withdrew on Odo's approach. In 1075, the earls of Hereford, Northumberland, and Norfolk rose in an uncoordinated "Revolt of the Earls," and Odo swiftly maneuvered to crush Norfolk's forces and end the uprising. In 1080, a series of insurgencies broke out in northern England, probably abetted by King Malcolm III of Scotland. Odo, in tandem with King William's eldest son, Robert Curthose—with whom Odo developed a strong alliance—ruthlessly extinguished all resistance, kept Malcolm at bay, and ravaged the region. Odo personally pillaged the city of Durham in retaliation for the murder of its Norman bishop by the insurgents.

It is uncertain when, or exactly why, the relationship between Odo and William began to sour. Perhaps the first indication was a trial at Penenden Heath in the 1070's, when Odo was accused of appropriating estate income that should have gone to the archdiocese of Canterbury. Some, though not all, of the charges were substantiated, and Odo had to pay partial restitution. In 1082, when Odo was about to embark from the Isle of Wight, presumably on his way to Rome, William abruptly appeared and arrested Odo for corruption. Odo had undoubtedly intended to make a bid for the papacy, and he had been gathering a small army and setting aside funds for the necessary

The Bayeux Tapestry

The Bayeux Tapestry is a needlework-embroidered strip of cloth, 230 feet long by about 1.6 feet wide, that depicts a version of the events leading to and during the Battle of Hastings on October 14, 1066. The story is presented chronologically in a sequence of panels, beginning around the year 1064, with King Harold II's purported visit to Normandy, up to the final phases of the battle. The tapestry originally contained additional panels depicting subsequent events, which may have measured seven feet in length, but these panels have disappeared. Narrative captions are stitched above the pictures, and the tapestry contains rich and varied decorations on its sides that are said to have a deeper significance than mere adornment.

The tapestry's fabric, style, and internal details lead most scholars to believe it was stitched within sixteen years of the events it depicted, with 1077 being the most frequently conjectured date. The tapestry was almost certainly completed before 1082, the year that Odo of Bayeux, the bishop of Bayeux, was imprisoned by William the Conqueror.

The origins of the tapestry are debatable. The old story that William's queen, Matilda of Flanders, and her ladies embroidered it seems far less likely than the theory that women at Canterbury, who were renowned for their needleworking skills, fashioned it from a design by an unknown person. The conventional idea that Odo himself commissioned the tapestry and perhaps even contributed to its design so the work could hang in Bayeux Cathedral has been challenged but not disproved. The facts that Odo and his vassals Wadard, Vital, and perhaps Turold are given a degree of prominence in the needlework, and that Odo could well afford such an expenditure, speak in favor of this theory. However, there are also persuasive arguments that Eustace II, count of Boulogne, may have sponsored the needlework. Some have theorized that Eustace, desiring the support of his former antagonist Odo, had the tapestry fashioned as a sort of reconciliation gift.

An inventory of the contents of Bayeux Cathedral from 1476 is the earliest written reference to the tapestry. In the twenty-first century, the embroidered cloth was exhibited in a museum at Bayeux, France.

bribes. However, William had known about Odo's ambitions for some time, and it is not known why William suddenly intervened and had Odo arrested. Odo was kept in prison during the remainder of William's reign. Odo's earldom was suspended, but he retained his estates.

On his deathbed in 1087, William was prevailed upon to release Odo, who was restored to the earldom of Kent by William the Conqueror's second son, King William II. However, in 1088, Odo, Robert de Mortain, and others launched a rebellion aimed at ousting William II in favor of Robert Curthose (now Duke Robert II of Normandy). Quick reaction on William II's part and Curthose's delay in sailing across the English Channel stymied the rebellion, which was effectively over when Odo surrendered, after a siege, at Rochester Castle. Odo was exiled to Normandy and this time forfeited the earldom of Kent and his holdings in England.

Until his death, Odo continued in his capacity as chief lieutenant to Curthose. Odo was present at the Council of Clermont in 1095, when Pope Urban II delivered his sermon calling for the First Crusade. Odo decided to join this effort and accompanied Duke Robert southward on the journey. His motives, whether they included a desire for further plunder or an opportunity for demonstrating repentance, are a matter of some debate. Crossing from southern Italy to Sicily in 1097, Odo died at Palermo, and he is buried in the cathedral there.

Legacy

As a cleric, most of Odo's wealth in Normandy would have reverted to the see of Bayeux after his death. The lands and income associated with the earldom of Kent were redistributed by William II. Although Odo is alleged to have fathered many illegitimate children, he did not have heirs in the proprietary sense. One of his children, John of Bayeux, became a priest who was retained by King Henry I of England as one of the king's personal chaplains.

Odo squandered much of his fortune on pleasure seeking, but he is undisputedly credited with having rebuilt and modernized Bayeux Cathedral by 1077. He also sponsored promising young scholars, artists, and clerics. Less certainly, he may have commissioned the Bayeux Tapestry, and he also may have encouraged and financed a version of the epic *Chanson de Roland*, first published in the twelfth century and translated as *Song of Roland*.

—*Raymond Pierre Hylton*

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See also: Alanus Rufus; First Earl of Surrey; William II.

ARISTOTLE ONASSIS

Greek shipping magnate and businessman

Onassis was one of the world's richest people, but his wealth brought him little solace as he aged. His only son was killed, and his marriage to Jacqueline Kennedy, the widow of President John F. Kennedy, soon foundered and ceased to be the loving relationship he desired.

Born: January 20, 1906; Smyrna (now Izmir), Turkey
Died: March 15, 1975; Neuilly-sur-Seine, France
Also known as: Aristotle Socrates Onassis
Sources of wealth: Shipping; real estate; trade
Bequeathal of wealth: Spouse; children; relatives; charity

EARLY LIFE

Aristotle Socrates Onassis (ar-ih-STOT-uhl SOK-ra-teez oh-NA-sihs) was born into a Greek family residing in Turkey. His father, Socrates Onassis, an affluent banker and merchant, married an eighteen-year-old Greek beauty, Penelope Dologlou. She gave birth to a daughter, Artemis, in 1904 and to Aristotle in 1906. Penelope died following surgery in 1912, whereupon her husband's mother, Gethsemane, came to Smyrna to care for Penelope's children. Socrates remarried eighteen months later, and Aristotle considered his stepmother an interloper.

Aristotle was bright but had a rebellious streak that frequently caused him to be suspended from school. Socrates worried about his son's education and finally prevailed upon an influential friend to gain his son's admission to the Evangheliki School, regarded as the best secondary school in Smyrna, if not in the entire Greek-speaking world. By the time Onassis was fifteen, he was relatively competent in Greek, Turkish, English, and Spanish. He later learned French and German.

FIRST VENTURES

Although Smyrna was Turkish, in 1922 it had a Greek population of 165,000, compared to a Turkish population of 80,000. On August 26, 1922, Turkish forces commanded by Atatürk attacked the Greek army two hundred miles east of Smyrna, defeating it in a single day. Greek soldiers killed many Turks they encountered as they retreated. When Turkish forces came upon slain compatriots, they mobilized the survivors to fight the retreating Greeks. As the Turkish soldiers advanced into Smyrna, the Greeks who lived there were treated brutally. Socrates, his house confiscated by the Turks, fled to Greece with his family, abandoning his considerable fortune.

Realizing the limitations that resettling in Greece imposed upon him, Aristotle decided to immigrate to Argentina and start a new life. Socrates at first resisted but later supported his sixteen-year-old son's decision to relocate in Argentina. Aristotle landed in Buenos Aires on September 21, 1923, and, after holding stopgap jobs as a hod carrier and a dishwasher, he found work with the British United River Plate Telephone Company. He became a night operator, leaving his days free to help revive his family's tobacco business.

After being turned away by most of the Argentinean cigarette makers to whom he tried to sell tobacco, Onassis set his sights on contacting Juan Gaona, owner of the most successful cigarette company in Argentina. He brazenly dogged Gaona's footsteps for days until Gaona finally agreed to talk with him. As a result of this conversation, Gaona immediately placed an order for $10,000 worth of Socrates Onassis's Turkish

Aristotle Onassis aboard his yacht. (©Bettmann/CORBIS) tobacco. Aristotle and Gaona continued to trade for some time, with Aristotle taking his 5 percent commission following each transaction. By the end of two years, he had earned more than $100,000 in commissions. He saved this money so he would have a nest egg to finance other enterprises.

After a disagreement with Gaona, Onassis launched his own cigarette manufacturing company, and by the time he was twenty-one his net worth exceeded $1 million. In 1925, Onassis received both Greek and Argentinean citizenship. Three years later, the Greek government commissioned him to execute a trade agreement with Argentina for the import of tobacco. Grateful for his success in negotiating this agreement, Greece named Onassis consul general. By now Onassis's enterprises had broadened from manufacturing cigarettes to trading in commodities.

Mature Wealth

In 1932, the world was suffering from the effects of the Great Depression. This was an ideal time for people with sufficient capital to make purchases at bargain prices. Onassis, who was not yet thirty, took full advantage of the economic downturn to purchase six freight ships from Canada, a plucky move because freight rates had dropped precipitously during the Depression. Realizing this, Onassis put only two of the ships he had purchased into immediate service and reserved the others for use when shipping rates improved. As his shipping business prospered, largely because he was operating under the Panamanian flag to minimize the taxes levied upon his fleet, Onassis offered the world's lowest shipping rates without stinting on the quality of the service his operation offered. He succeeded because he was a risk taker. The risks he took, however, were carefully calculated and proved to be profitable.

Onassis was a citizen of the world. He did not consider himself irretrievably bound by rules and regulations that might thwart his enterprises. He had a personal dynamism that worked to his advantage in business dealings. He was generous in dispensing favors to the people with whom he did business. He declared quite sardonically that he would not trust anyone who would not take a bribe.

With uncertainty engulfing Europe as war seemed inevitable, Onassis made a crucial decision. He would develop a fleet of tankers for the transportation of oil, a commodity that would be in demand if a war erupted. In 1938, he had his first tanker ship built, and this acquisition was followed by his taking possession of two more tankers during World War II. Onassis benefited financially from the war, as shipping fees escalated significantly. When the war ended, he realized that a world hungry for oil would be dependent upon tankers to transport most of this oil to the places where it was vitally needed.

The Alexander S. Onassis Foundation

The death of Aristotle Onassis's only son Alexander in an airplane accident in January, 1973, left Onassis so depressed that he found it difficult to function. He delayed the burial of his son, at one point seeking to have his remains frozen so that at some future date, with advances in medical science, Alexander could be revived.

Alexander's death had a profound effect on the physical condition of Onassis, who had always been remarkably healthy. Onassis was diagnosed with a degenerative disease, myasthenia gravis, for which he was being treated in Paris. In the course of this treatment, he contracted pneumonia and on March 15, 1975, died with only his daughter at his side.

In the will Onassis had drawn up two years before his death, he made provision to support an organization somewhat similar to the Nobel Foundation. The foundation was chartered in Vaduz, Liechtenstein, with its main offices in Athens. It grew into a multibillion-dollar organization.

Onassis's will stipulated that the foundation was to fund the work of researchers in eight specific areas: medicine, science, exploration, literature, art, religion, journalism, and education. Under the supervision of a board of directors, the Onassis International Cultural Competition Prizes, comparable to the Nobel Prizes in the level of support they provide for composers, painters, choreographers, and playwrights, were established in 1994. The foundation also established the Onassis Cardiac Surgery Center in Kallithea, some thirty miles south of Athens. Completed in 1992, the center cost $75 million to construct and boasts the most modern equipment and technology for cardiac treatment. The foundation also made possible the Onassis Library for Hellenic and Roman Art, a facility in New York City's Metropolitan Museum of Art that opened in 2000. The Onassis Home of Letters and Fine Arts in Athens was completed in 2010.

The directors of the foundation's two branches, public benefit and business, are elected every year to occupy one of the fifteen seats on each board. The business branch oversees the foundation's shipping fleet and extensive real estate holdings and generally operates at a profit that is given to the public benefit branch.

Onassis expanded his holdings substantially in the late 1940's and early 1950's. In the mid-1950's, he bought seventeen new tanker ships in a single year. He had become incredibly wealthy, and his fleet was larger than the navies of many nations. In 1953, he paid $1 million to buy a controlling interest in the Société des Bains de Mer, the organization that owned the Monte Carlo casino, as well as hotels, theaters, and other real estate in Monaco.

In 1957, he bought and operated Olympic Airways, the national airline of Greece. When Onassis took over this carrier, it had only prop-driven aircraft. Onassis knew the airline needed to switch to jet aircraft if it was to become a recognized international carrier, but this move would require at least five Boeing 727 jet planes and two Boeing 707's at a cost of slightly more than $53 million. Olympic Airways had experienced great difficulty in borrowing money, and obtaining the loans necessary to purchase these jets was a great challenge for Onassis, exactly the sort of venture he welcomed. He used his Panamanian connections to achieve his ends, and Olympic was able to rent the seven planes it needed for $60,000 a month each, a figure that made the airline competitive with other international carriers. Onassis eventually turned this airline over to the Greek government. He had relished the struggles of making it viable, but when the excitement was gone he was ready to pursue other interests and challenges.

Legacy

Most Americans remember Onassis as the Greek millionaire who married Jacqueline Kennedy, widow of the assassinated president of the United States. However, he will be remembered longer for establishing the Alexander S. Onassis Foundation in memory of his only son, who was killed in an airplane accident in January, 1973, leaving Onassis totally devastated.

When Onassis died in 1975, his estate had an overall value exceeding $500 million. His will, handwritten by Onassis on a private jet airplane when he and Jacqueline were returning from Acapulco, left Jacqueline a bequest of $150,000 a year during the lifetimes of her and her two children. The couple's already troubled relationship had deteriorated further during their time in Acapulco, so Onassis stipulated that if Jacqueline contested his will, she would be responsible for all of the legal fees resulting from this contest and would receive the minimal spousal bequest dictated by Greek inheritance laws, in this case 12.5 percent. After establishing annuities for his sisters, other relatives, and friends, Onassis left his daughter Christina the assets of the first of two companies he created, a bequest amounting to about 45 percent of his total assets. A comparable amount was left to finance the Alexander S. Onassis Foundation.

—*R. Baird Shuman*

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See also: John Ellerman; Stavros Niarchos; George Steinbrenner.

Osei Tutu

Asante king and military leader

Osei Tutu united several clan states in West Africa, establishing the Asante Empire in an area rich in gold and at the crossroads of major trade routes. His personal and state wealth secured an important position for the Asante Empire in the history of West Africa.

Born: c. 1660; possibly Akroherri (now in Ghana), West Africa
Died: 1717; near the Pra River, east of Kumasi (now in Ghana), West Africa
Also known as: Osei Kofi Tutu I
Sources of wealth: Inheritance; trade; government
Bequeathal of wealth: Relatives; government

Early Life

Osei Kofi Tutu (oh-SAH-ee KOH-fee TOO-too) I was born around 1660. The place of his birth is unknown, but he could have been born in Akroherri, now in Ghana. In the 1600's, this area was a vast source of gold and was at the crossroads of major trade routes. Osei Tutu was the son of Owusu Panyin and Manu Kotosii, the sister of Obiri Yeboa, who became the ruler of Kwaman. As the clans were matrilineal, Osei Tutu stood first in line to succeed his uncle.

Osei Tutu received a royal education, first from his father and uncle and then in the court of King Boa Amponsem I of Denkyira. When relations between Denkyira and Kwaman deteriorated and war seemed imminent, and after Osei Tutu had impregnated Boa Amponsem's only daughter, Osei Tutu fled to Akwamu. There he was joined by Okomfo Anokye, who became his priest and counselor and had a major role in Osei Tutu's rise to power.

First Ventures

When Obiri Yeboa died, Osei Tutu and Okomfo Anokye returned to Kwaman. A massive, golden stool—the symbol of royal power—was constructed for Okomfo Anokye, who explained to the people that the stool descended from the skies as a blessing of the gods, making Osei Tutu both their political and religious leader. Osei Tutu organized an army and proceeded to bring neighboring clans into his growing empire, either by peaceful alliances or by force. As the smaller states were incorporated into the growing Asante Empire, Osei Tutu collected yearly tributes from them, thus increasing his wealth and the wealth of the empire.

Mature Wealth

Osei Tutu's biggest conquest was the kingdom of the Denkyira, where he had spent part of his youth. The king of the Denkyira had died and his daughter's child, Ntim Gyakari, who was Osei Tutu's son, was named the king's successor. Ntim Gyakari sent an envoy to Osei Tutu with a large pan, demanding that Osei Tutu fill the pan with gold tribute. Osei Tutu's council chiefs were insulted by this demand, killed the messenger, filled the pan with stones, and prepared for war. After their victory, it took the Asante warriors fifteen days to bring the spoils of the war home to Osei Tutu, who kept a large quantity of the looted gold, adding to his personal wealth.

Along with the annual tributes that Osei Tutu collected from the states now joined with the Asante Empire, he received taxes and duties from caravans traversing the trade routes that passed through the empire. He also sold some of his adversaries into slavery to be taken on European ships to the New World and traded with the Europeans for guns and other weapons. According to some accounts, when Osei Tutu held court, he had boys stand at his sides to help support his arms, which were heavily laden with gold bracelets.

In 1717, Osei Tutu went to war against a tribe that had taken the side of the Denkyira—the Akyem. He underestimated the Akyem's fighting ability, and he went into battle with only a small entourage of troops. He and his party were ambushed by snipers, and he was shot. His dying words were "Ankah me nime ya" (if only I had known).

Legacy

Osei Tutu began the unification of the Gold Coast of Africa, building one of the richest empires in the continent. Through his political skills and military prowess, he was able to bring many of the different tribes and clans of the area into a unified state. He more than tripled the size of the kingdom that his uncle had ruled. His successor, Opoku Ware I, continued expanding the empire. The Asante Empire continued until 1874, when Great Britain conquered the gold-rich territory and placed it under British rule.

—*Polly D. Steenhagen*

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See also: Mansa Mūsā; Mwene Matapa Nyatsimba; Tenkamenin.

Osman Ali Khan

Indian prince

The most powerful of the native princes of preindependence India, Osman Ali Khan, the nizam of Hyderabad, has been called the wealthiest person of the twentieth century, with riches reminiscent of the Mughal emperors.

Born: April 6, 1886; Hyderabad, India
Died: February 24, 1967; Hyderabad, India
Also known as: Seventh Nizam of Hyderabad; Usmān ʿAlī Khān; Asaf Jah VII
Sources of wealth: Inheritance; government
Bequeathal of wealth: Children

Early Life

Osman Ali Khan (UHZ-mahn ah-LEE kahn) was born to the Asaf Jah imperial throne of the princely state of Hyderabad, one of the native kingdoms of India. The Asaf Jah Dynasty had been founded by Qamar-ud-din Khan, who ruled as Asaf Jah I from 1724 to 1748. Osman Ali Khan's father, Mir Mahboob Ali Khan, or Asaf Jah VI, was the sixth nizam (ruler) of Hyderabad; Osman's mother was Amat-uz-Zehra Begum. Osman was the couple's second child; their oldest child died in infancy.

The princely states of India were the remnants of the Mughal Empire and other Indian kingdoms previously conquered by Persian, Turkish, and Mongolian Muslims or ruled by Hindu maharajas. In the nineteenth century, these states were recognized under the sovereignty of Great Britain and became part of the British Empire. Of the approximately six hundred states ruled by the native princes of India, Hyderabad was the largest and the wealthiest. Located in central India, Hyderabad had thirteen million inhabitants at the time Osman was born. Hyderabad was traditionally a dominant power in the Deccan plateau. Although most of the inhabitants were Hindu, the nizam rulers were Muslims, recognized as descendants of Abū Bakr, successor to the Prophet Muḥammad as ruler of the Muslim community and the first of the "rightly guided" caliphs of Islam. As such, the Asaf Jah Dynasty was commonly recognized as the leader of Sunni Islam in India. Osman was raised in the Purani Haveli and King Kothi palaces. He was educated by tutors in the Qurʾān and Islamic studies; the Persian, Urdu, and English languages; and administration.

First Ventures

Upon the death of his father, Osman became the seventh nizam, Asaf Jah VII, in August, 1911. He was inaugurated with all of the ceremonial pomp of his ancestors. As ruler, the seventh nizam inherited a throne that had formerly exercised absolute power over the kingdom's subjects. However, while he was an absolute monarch in name, in reality he was not the ruler of Hyderabad. The British governor-general was the ultimate ruler of all of India. In addition, Indian nationalists were seeking to establish an independent India that would assume control of the princely kingdoms, and pan-Islamists were attempting to bring Indian Muslims into a united *ummah* (Islamic community). Faced with these challenges to their power, many of the native princes retreated into their own world of extravagant spending and courtly pleasure.

Osman, however, was determined to exercise his authority as a capable and benevolent ruler, despite his relative ignorance of the modern world. The Hyderabad nobility was accustomed to living extravagantly, with their lifestyles funded by the nizam, and these expenses strained the state's finances. In response, Osman reduced the budgets of the nobility. He occasionally interceded on behalf of the slave women who were scandalously kept in the homes of the ruling elite. Although he did not stint on his own expenditures because he did not want to diminish his princely heritage, he nevertheless implemented various reforms designed to place Hyderabad's finances on a sounder footing.

The nizam spent as much money on public edifices as on his princely prerogatives. He built the Osmania Gen-

Silk

Silk is synonymous with luxury, sumptuous clothing, and wealth. Silk is the product of the caterpillar of the silkworm moth, *Bombyx mori*, and was first cultivated by the Chinese around 2500 B.C.E. The cultivation of silk worms is known as sericulture. It is a difficult and labor-consuming industry, which was monopolized by the Chinese government; trading in the secrets of the industry was punishable by immediate decapitation. The finest silk was reserved for the Chinese emperor and his court, and only the emperor himself could wear yellow silk.

With the rise of the Achaemenid Empire in Persia in the sixth century B.C.E., the first overland trading routes were established, linking the far reaches of the Chinese Empire with markets in India, Persia, Arabia, and the Mediterranean. This was the forerunner of the famous Silk Road, over which the goods of Asia, Africa, and Europe would be exchanged for two millennia. The importance of this road, actually a network of routes through central Asia with bypaths, would be hard to overestimate. The Silk Road was the link between Europe and the highly developed societies of the Near and Far East. The overland trading routes were often attacked by nomadic tribes.

In the reign of the Emperor Augustus (r. 27 B.C.E.-14 C.E.), silk became treasured in Rome. The great empires of Persia—Parthian, Sāsānian, and Seleucid—traded silk through much of the known world. In Byzantium and Persia, silk was woven into exquisite carpets, shrouds, and tapestries. Despite the best efforts of the Chinese, the secrets of silk-making spread. Sericulture developed in Byzantium, Korea, Japan, and the Muslim empires.

The silk industry of Western Europe began in the Middle Ages. In the thirteenth century, Lucca, now in Italy, was the first European city to gain renown for silk production. Venice became a center for both silk weaving and the silk trade. Although velvet was an ancient Chinese invention, Venice also excelled in its production, producing gold piqué and cisele velvets that were particularly shimmering and luminous. In the fifteenth century, France developed a silk industry centered in Lyons, where weavers created the most exquisite silk finery for royalty and aristocrats. In the famous meeting of King Henry VIII of England and King Francis I of France at the Field of Cloth of Gold in June, 1520, both kings attempted to outdo each other with the magnificence of their silk raiments. In the seventeenth century, the Dutch and British East India Companies launched a vast maritime trade in silk. Silk embroidered with lace was a staple of haute couture (high culture) as it developed in Europe during the eighteenth and nineteenth centuries, and this embroidered fabric was nowhere captured more beautifully than in the paintings of French artist Jean-Auguste-Dominique Ingres.

The silk trade made fortunes for people in all of the known continents. The maharajas of India drew riches from the silk trade; they draped themselves, their possessions, and their apartments in the most exquisite silks, encrusted with precious metals and jewels.

eral Hospital, a magnificent town hall, roads, railways, post offices, a hall for the state's assembly, courthouses, and other structures. He introduced a measure of parliamentary rule. On September 22, 1918, he established Osmania University, the first university in India to provide instruction in native languages.

World War I brought a challenge to Osman's reign. The Ottoman sultan was the nominal leader of the world's Sunni Muslims, holding the office of the caliphate that had been established after the death of the Prophet Muḥammad in the seventh century. Nevertheless, the nizam gave his full support to the British during the war, although the Ottomans were allied with the Germans. Osman even provided as much as £25 million to the British army. As the prince of Hyderabad, he was already considered first among the "twenty-one gun salute" states—the states of Hyderabad, Mysore, Gwalior, Baroda, and Jammu and Kashmir which were at the top of the British hierarchy of the Indian princely states. As a reward for his allegiance, the British awarded him the unprecedented title of His Exalted Highness.

In 1926, the nizam commissioned the British architect Edwin Lutyens to design a new palace, Hyderabad House, built in the shape of a butterfly, with a domed roof, combining the architectural styles of the Mughal and British Empires. It was one of the grandest and most expensive palaces in the world. During Osman's reign, the Nizamsagar Dam was completed in Hyderabad in 1931.

Mature Wealth

Although some people were wealthier than the native princes of India, there have been few people who have exceeded the princes' love of riches and display. The native princes inherited ancient Indian kingdoms that were revived during the decay of the Mughal Empire. The princes claimed the wealth of their principalities as their own, clothing themselves in silk and gold and collecting treasuries of the most exquisite diamonds and jewels. However, none of India's princes approached the nizam for sheer wealth or extravagance. His personal fortune was estimated at $2 billion, which during his lifetime earned him the distinction of being the wealthiest man in the world. Osman lived in the opulent King Kothi Palace and built the equally imposing Hyderabad House. He owned more than four hundred motor cars. He possessed one of the greatest jewel collections in history, valued at more than $400 million, which included the 185-carat Jacob Diamond. He collected Mughal and Deccan paintings, miniatures, illustrated Qurʾāns, and ancient Indo-Islamic manuscripts. He also took opium daily.

The Muslim religion allows a man to marry four wives and have many concubines, provided he can afford to maintain them. The nizam had unlimited resources and followed in the footsteps of his princely ancestors by taking four official wives, as well as a harem of forty-two women. On April 16, 1906, he married Azam-un-nisa Begum, and they had three children. His three other wives were the daughters of the nobility. His favorite woman in his harem was Leila, a singer of exceptional beauty with whom he had seven children. In all, Osman was the father of one hundred children, and he employed thousands of servants to wait upon his family.

Great Britain granted independence to India in 1947, but the British were careful to preserve the rights and privileges of the native princes. Nevertheless, the newly created nation of India claimed sovereignty over the princely states and issued proclamations of annexation. The nizam resisted these orders, unrealistically insisting that his state would be independent. In response, Indian military forces moved into Hyderabad and forcibly annexed it. The Indian government granted the nizam an annual salary of 5 million rupees (about $25 million), free of all taxes. Indian officials also allowed him to retain full, personal ownership of his jewels, gold, palaces, securities, real estate, and other wealth. The nizam exchanged a personal estate worth 30 million rupees for an additional annual payment of 2.5 million rupees.

Relieved of governmental responsibilities, Osman spent his last years making arrangements for the fifteen-thousand-person retinue of his vanquished court. He created numerous trusts for his children and for the relics of his kingdom, paid for with millions of pounds of gold bars literally lying around his palaces. The nizam retained his royal kitchen with its antique porcelain and gold dining service for 150 persons; his concubines; his Purani Haveli, King Kothi, Chaowmahol, Goakhana, and other palaces; his jewelry collection; and his charitable religious endowments.

Legacy

Osman Ali Khan can be considered the last of the great princes of ancient India, whose exercise of power and wealth was both astounding and offensive to modern sensibilities. Unlike Osman, most of the world's monarchs have not held their wealth as entirely their own. The native Indian princes, however, were able to accumulate—and flaunt—their great wealth because they were under the protection of the British government. Osman was not willing to part with any of these ancient privileges, and he continued to possess an excess of palaces, wives, concubines, and gold. However, he also used his wealth to finance public improvements in Hyderabad, and he was the most civic-minded of the nizam rulers and the other maharaja princes. While the nizam maintained his fortune, his political power gradually diminished in India, and the title "nizam" was extinguished in 1974, seven years after his death.

—*Howard Bromberg*

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See also: Shantidas Zaveri.

DAVID PACKARD

American industrialist and computer industry pioneer

Packard helped establish Silicon Valley by cofounding technology giant Hewlett-Packard in Palo Alto, California. At the time of his 1993 retirement, Hewlett-Packard was the world's second largest computer company.

Born: September 7, 1912; Pueblo, Colorado
Died: March 26, 1996; Palo Alto, California
Source of wealth: Computer industry
Bequeathal of wealth: Children; charity; educational institution

EARLY LIFE

David Packard was the son of Sperry S. Packard, a lawyer, and Ella Graber Packard, a high school teacher. Set on a career in engineering from an early age, Packard also excelled in athletics. As a freshman at Stanford University, the six-foot-five-inch Packard set records in track. He later lettered in varsity football and basketball while serving as president of Alpha Delta Phi fraternity. He possessed both an iron will and such great physical strength that later in his life, employees of his company said they were a little frightened of him. During summer breaks in his college years, Packard hauled ore at a mining camp, built roads, and delivered huge blocks of ice to taverns. He graduated Phi Beta Kappa in 1934 and went to work at General Electric in Schenectady, New York. In 1938, he married Lucile Salter, whom he had first met at Stanford.

FIRST VENTURES

Packard returned to Stanford University in 1938 for graduate study in electrical engineering. Meanwhile, his old Stanford friend, William Redington Hewlett, had re-

David Packard (right) and William Redington Hewlett in the 1940's. (AP/Wide World Photos)

The David and Lucile Packard Foundation

David Packard and his wife Lucile created the foundation named for them, the David and Lucile Packard Foundation, in 1964 in order to complement government efforts to serve the needs of American society. Both Packards believed they had an obligation to give back to the country that had enabled them to prosper, and the couple had long supported charitable efforts. While David served on the Palo Alto, California, school board and the President's Council of Advisors on Science and Technology, Lucile chaired the board of the Children's Health Council and supported the Stanford Convalescent Home, which treated children with tuberculosis. When David died in 1996 (Lucile predeceased him in 1987), forty-six million shares of stock in his company, Hewlett-Packard, were given to the foundation.

The foundation is headquartered in Los Altos, California, and its activities are based on the belief that private organizations can affect social, cultural, and environmental change in ways that government and other public entities cannot. At the end of 2008, the organization had an investment portfolio of about $4.5 billion, and that year it issued grants of approximately $342 million. It provides national and international grants but is specially focused on bettering life in the Northern California counties of San Benito, San Mateo, Santa Clara, Santa Cruz, and Monterey. In keeping with this mandate, the foundation has provided major funding for the establishment and upkeep of the Monterey Bay Aquarium.

In 2009, the foundation gave sixteen researchers an unrestricted grant of $875,000 each to be used over five years as part of the Packard Fellowships for Science and Engineering. This program, which has distributed more than $274 million since it began in 1988, originated from David Packard's commitment to strengthening university-based science and engineering programs. It seeks to encourage graduate students to pursue university research in the United States, and it is one of the largest nongovernmental programs to support research in such disciplines as physics, chemistry, mathematics, biology, astronomy, computer science, earth science, ocean science, and all branches of engineering. The fellows include Xin Chen, a biologist at Johns Hopkins University who is identifying the molecular characteristics essential for normal stem cell functions; Peter Huybers, a Harvard University geoscientist who is focused on climate change predictions; Holger Mueller, a physicist at the University of California at Berkeley who is introducing new tools to the field of particle physics; and Seth Sullivant, a mathematician at North Carolina State University who is using tools from algebraic geometry and other branches of mathematics to address problems in evolutionary biology. The foundation also supports advocacy organizations that work at the statewide level to increase health insurance coverage for children, including Finish Line Project and Consumer Voices for Coverage.

turned to California after earning a master's degree at the Massachusetts Institute of Technology. Packard had built the first audio oscillator to test sound equipment, and the two men formed Hewlett-Packard (HP) on January 1, 1939, in order to sell this device. A coin toss decided the company name. Hewlett focused on engineering, while Packard concentrated on management. With only $538 in capital, Hewlett and Packard set up shop in a one-car garage that later became a California historical landmark as the birthplace of Silicon Valley. The partners developed an electronic device to spot bowlers who stepped over the foul line, a weight-loss machine, and an electronic toilet flusher. When Walt Disney bought eight of the audio oscillators to help produce the film *Fantasia*, HP took off. The company had three employees and $34,000 in sales in 1940.

Mature Wealth

HP manufactured measurement and testing equipment. However, the company was best known for the HP Way, a corporate philosophy that fostered individual motivation and creativity by providing employees with considerable freedom to work toward established goals. Packard would later claim that the HP Way was his greatest achievement. He believed in "management by walking around" and "management by objective," both of which are now routinely taught in business schools. Packard frequently asked employees on the shop floor how their work was going and whether management could do anything to make their jobs more productive. His firm adopted an informal style of management and held numerous gatherings at which employees and their bosses discussed their work. Both "Bill and Dave," who along with other HP senior executives had an open-door policy, despised executive pomposity.

Packard also shared his wealth with his employees and demonstrated considerable concern for his workers' well-being. HP provided catastrophic health insurance for employees in the 1940's, a time when hardly any other company was offering this benefit, because Packard believed that family medical crises had cost two of his workers their jobs. The company embraced a broad-based profit-sharing plan and flexible scheduling.

Despite fluctuations in its finances, HP under Packard's leadership never laid off its employees and enjoyed a reputation as one of the best employers in Silicon Valley. Packard believed that respect and concern for individual employees assured a solid return on shareholders' investments, unlike many of HP's competitors, who simply focused on shareholders.

By 1960, HP had become the largest producer of electronic measuring devices. The company had particular success with heart-monitoring equipment and atomic clocks for the Apollo spacecraft. However, Packard encouraged innovation. Once asked about his formula for success, the always pragmatic and direct Packard replied that he believed in doing something useful and then moving on without gloating about it. HP frequently moved on. The company successfully transformed itself into a manufacturer of computer equipment in time to lead the computer revolution. HP built the first desktop scientific calculator in 1968 and introduced the pocket calculator in 1972, which made the ubiquitous slide rule obsolete. HP's LaserJet printer, launched in 1984, provided high-quality printing for personal computers. By the time Packard retired in 1991, HP ranked second only to International Business Machines (IBM) as the world's largest manufacturer of computer equipment.

Packard's commitment to the welfare of others did not stop at the doors of HP. He had a long-standing interest in conservation, serving as vice chair of the California Nature Conservancy. In 1964, he gave $45 million to establish the Monterey Bay Aquarium and its research institution. He donated an additional $120 million to the aquarium through the David and Lucile Packard Foundation. He also gave $70 million to construct the Lucile Salter Packard Children's Hospital at Stanford University. Stanford University received more than $300 million from Packard and Hewlett, including a $77.4 million donation in 1994, the largest gift in campus history, for a new science and engineering complex.

Packard also made large contributions to Republican Party campaigns. He served as deputy secretary of defense in President Richard Nixon's administration from 1969 to 1971, and he remained close to subsequent Republican leaders. He served on the Trilateral Commission from 1973 to 1981 and chaired the Blue Ribbon Commission on Defense Management created by President Ronald Reagan in 1985. The latter commission recommended sweeping changes in the procurement of military equipment. Not much of a hawk, Packard promoted increased trade with the Soviet bloc nations as the best way of ending the Cold War. Packard also served as a trustee of the Herbert Hoover Foundation, the American Enterprise Institute, and the Hoover Institution. He sat on the boards of several corporations, including Boeing, Caterpillar, Chevron, and Genentech.

Hewlett retired in 1986. Packard had been semiretired throughout the 1980's but returned in 1991 when HP fell into financial difficulties. Packard permanently stepped down as HP's chair in 1993, but he cheerfully promised to offer free friendly advice to his successor. At his retirement, Packard was worth an estimated $1.4 billion. He died of pneumonia in 1996 at Stanford University Medical Center in the company of his only son and his three daughters. By the time of his death, he had given away most of the $3.7 billion fortune that he had amassed through the years.

Legacy

Widely regarded as one of the greatest business leaders in the twentieth century, Packard was one of the founders of California's Silicon Valley. He and his company, Hewlett-Packard (HP), laid the foundations of one of the most profound technological revolutions in history. HP played a major role in making computers a part of everyday life. The firm built the first audio oscillator, the first desktop scientific calculator, and the first pocket calculator. Under Packard's guidance, HP became the leading producer of minicomputers and laser printers, as well as a company known for its technical innovations and its fair and generous treatment of employees. Some of the largest Silicon Valley companies, including Apple Computer, Inc., were founded by former HP employees and modeled after HP. Through his charitable endeavors, Packard ensured that significant private support for scientific and engineering innovation would continue long after his death.

—*Caryn E. Neumann*

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Sergey Brin; Mark Cuban; Michael Dell; Larry Ellison; Bill Gates; Steve Jobs; Gordon E. Moore; H. Ross Perot.

Kerry Packer

Australian media mogul and investor

Packer inherited a sizable estate from his father, including newspapers, magazines, and television stations. Before Packer died in 2005, he had become the richest person in Australia, with his wealth estimated at more than $6 billion in Australian ($5 billion in U.S. dollars).

Born: December 17, 1937; Sydney, Australia
Died: December 26, 2005; Sydney, Australia
Also known as: Kerry Francis Bullmore Packer
Sources of wealth: Inheritance; media; real estate
Bequeathal of wealth: Spouse; children

Early Life

Kerry Francis Bullmore Packer was born in Sydney, Australia, on December 17, 1937. His father, Sir Frank Packer, was a businessman whose investments were primarily in newspapers and magazines. Ambitious and ruthless, Frank was not an ideal father to his two sons, Clyde and Kerry. He verbally and publicly abused and criticized them, as he did his employees. With their parents often absent, the brothers were raised by nannies. In 1945, Kerry was struck down by infantile paralysis and was confined in an iron lung. Enrolled in several schools, he was an indifferent student, and it was eventually discovered that he suffered from dyslexia. A loner with few friends, he excelled in sports. However, in his father's eyes, Kerry was "the idiot son."

First Ventures

After leaving school, Packer worked in his father's newspaper business, starting at the bottom in menial jobs that he attempted to avoid. His older brother, seemingly brighter and more suitable, was groomed to take over Frank's many businesses. Kerry was the black sheep. In 1956, Frank acquired Channel Nine, one of Australia's first television stations, which would later prove to be the key to Kerry's financial success. By the early 1970's, Clyde had become estranged from his father, and Kerry was the heir to the family fortune.

Mature Wealth

When Frank died in 1974, his financial interests were estimated at about $100 million (Australian dollars), although probate proceedings indicated that the estate was worth only $1.3 million. Kerry inherited two television stations, five radio stations, nine newspapers, magazines, considerable property, shares in a gold mine, racehorses, and other investments. Initially, he saw his duty as merely to husband his father's fortune, but over the next thirty years his moneymaking abilities enabled him to vastly increase his wealth and become Australia's richest person.

Ironically, his father's verbal abuse taught him lessons about being tough and caring little about what others thought of him. Packer's temper was legendary, and although he had a quick wit, he seems to have suffered from a siege mentality, convinced that the world was out to get him and his money. Given the opportunity, he showed that he had his father's talent for business.

By 1976, he had bought out his brother's share of Consolidated Press, the newspaper corporation founded by his father. He had already proved himself at the *Sydney Bulletin* and with the new magazine *Cleo* (loosely modeled on *Cosmopolitan*), which was more titillating than Frank's more conservative women's magazines. Circulation of *Women's Weekly*, long the flagship of

Consolidated Press, also increased significantly. Employees at Channel Nine were initially concerned that Packer had neither much knowledge nor much interest in the television business, but they were proved wrong. Packer made a fortune from his television station, in large part because his tastes were those of most Australians, who liked films and sports and cared little for intellectual or artistic programs. Channel Nine focused on sports, news, and game shows that were cheap to produce but were extremely rewarding financially.

The Packers, father and son, were very well known in Australia but had a lower profile outside the country. Kerry Packer became famous, or infamous, in the wider world because of the quintessential English game of cricket, which was a legacy to Great Britain's former colonies, including Australia. For much of its history, cricket was largely a "gentleman's" game, where amateur gentlemen players took precedence over professional or working-class athletes who played the sport for money, although not much money. Packer challenged cricket's status quo by staging World Series Cricket for his television network, which aired these games from 1977 through 1979. Cricketers were seriously underpaid in comparison to athletes in many other sports, and when Packer in 1977 secretly offered cricketers $25,000 (Australian dollars) for twelve weeks of work, many players eagerly seized it, including a majority of Australia's Test team and several of England's premier players. England's cricket establishment and the British press ridiculed "Packer's circus." Packer was ready to compromise in exchange for gaining a monopoly on televising Australian cricket. When his offer was rejected and he was refused access to Australia's major cricket grounds, he found other venues in which to stage cricket matches. When various cricket organizations, including the International Cricket Conference, banned anyone who played in Packer's supertests, he took the conference to court and won. Political pressure forced the opening of the traditional cricket grounds in Sydney and other sporting venues for Packer's matches, and when he instituted night cricket by adding electric lights to the field, the fans came in great numbers. In 1979, the traditionalists conceded. In exchange for Packer abandoning his World Series Cricket, he received a ten-year monopoly on televising, merchandizing, and marketing cricket in Australia, including the exclusive right to televise Australian matches played overseas. The agreement proved to be a financial bonanza for Packer.

Politically, Packer and his father were backers of Australia's Liberal Party, which despite its name was politi-

Kerry Packer, Australia's richest man, relaxes after a polo match in Sydney. (AP/Wide World Photos)

cally conservative. Packer, however, was willing to support any party and any politician, including those from the Labor Party, who would do business with him, and his media power found most politicians irrespective of party eager to work with him. In return for his support, Packer wanted to have few government regulations on his media activities, a policy that was popular with other media barons, such as Rupert Murdoch, a fellow Australian.

Packer also had an appreciation of when to buy and when to sell. When Frank died, the Packer family owned only 25 percent of Consolidated Press. In the early 1980's, in a brilliant financial coup, Kerry bought the non-Packer shares at less than the price established by the auditors, giving him full control of Consolidated Press. He always desired to be in complete control and not troubled by any outsiders, be they politicians or shareholders.

In 1983, the Costigan Royal Commission accused Packer of numerous crimes, including tax evasion, money laundering, corporate fraud, the importation of drugs, pornography, and even murder. Tax fraud was the central allegation, while the other accusations were secondary. Initially, Packer was not publicly named in the investigation, but his name soon surfaced in the newspapers. Packer, like many other successful businesspeople, had sought loopholes that limited his taxes, and some of his investments were intended to lose money in order to reduce his tax burden, a practice that could be ethically problematic but not necessarily criminal. Eventually the findings of the Costigan Commission were sent to Australia's director of prosecutions for further action, but it was not until 1987 that the government announced that the commission's charges against Packer were groundless. The public exoneration was possibly due in part to the intervention of Australia's prime minister, Robert Hawke, whom Packer had supported politically. However, the accusations seriously damaged Packer's reputation not only in Australia but also in England, where his victory over the cricket establishment was of recent memory. By some accounts, Packer was nearly suicidal during the investigation. He never had much respect for journalists, and after the affair was over, he held the press in total contempt.

In 1987, Packer sold Channel Nine to another ambitious Australian entrepreneur, Alan Bond, for $1.06 billion (Australian dollars), about twice what it was worth. Although television was Packer's mainstay, it was impossible to pass up $1 billion. After the sale, Packer, who had been consumed with the business of making money for twenty years, decided to step back from the marketplace. He was overweight and out of condition, suffering a severe heart attack in 1990, after which he made a sizable donation toward equipping all New South Wales's ambulances with defibrillators.

The sport of polo became his new compulsion. At his estate seventy miles north of Sydney, where he owned more than sixty thousand acres of land, he built a polo field and barns for his 160 polo ponies. He also established a polo center in England, and he sponsored an international polo team, of which he was a member; it competed before Queen Elizabeth II at Windsor Castle. In addition to polo, Packer gambled heavily in London, Las Vegas, and elsewhere, sometimes winning or losing millions of dollars in one night. While retreating from day-today business activities, he invested in gold mines, engineering companies, magazines, ski resorts, casinos, and other endeavors. His landholdings in Australia were larger than the entire nation of Belgium.

After Bond suffered business reversals, Packer repurchased Channel Nine and made $800 million in profit. To escape changes in Australian tax laws, he relocated his corporate headquarters to the Bahamas. He was not always successful, but over time his wealth continued to grow substantially.

Packer's health was never good. In addi-

KERRY PACKER CIVIC GALLERY

Kerry Packer had little interest in establishing art galleries or museums or in endowing universities or other institutions. He attained his wealth and success because he shared the tastes of the masses rather than the cultured elite. However, in 2007, his son, James Packer, donated $2 million (Australian dollars) to the University of South Australia in memory of his father. The funds were used to create the Kerry Packer Civic Gallery within the university's Bob Hawke Prime Ministerial Centre, named for Australia's prime minister from 1983 until 1991. Although a member of the liberal Labor Party, Hawke was often allied with business interests, and Kerry Packer gave him considerable political support, so it seemed logical that the Kerry Packer Civic Gallery should become part of the Hawke center. Mitsubishi Motors of Australia provided additional financial support for the gallery, which was designed by the architect John Wardle and the architectural firm of Hassell.

The gallery is committed to the themes of democracy and diversity, particularly in Australia, focusing on the topics of media and human rights, the environment, governance, and freedom. At the entrance to the gallery there is a message stick of the aboriginal Kaurna people. Aboriginal people in Australia used message sticks to share information or as a welcoming gift, and the message stick's placement in the gallery is intended to give recognition to Australia's first people.

Since its founding, the gallery has presented numerous exhibitions, including displays of the artifacts and narratives of South Australia's numerous peoples, a visual arts presentation of young adults with intellectual disabilities, a photographic presentation of Australia's powerful women, a cross-generational exhibit of Aboriginal art, a photo competition by the Australian Human Rights Commission, a "Conversation Between Muslims, Christians, and Jews," and the Greenpeace Design Awards. The gallery presents lectures, organizes seminars, and is open for conferences, with space for approximately 250 persons.

tion to the polio he suffered as a child and his near-fatal heart attack in 1990, he received a kidney transplant in 2000. He died at his home in Sydney of kidney disease on December 26, 2005, refusing to prolong his life with dialysis treatment. His wife Roslyn and his two children, James and Gretel, were at his side. A state memorial service was held at the Sydney Opera House, with many politicians, cricket players, and show business personalities in attendance.

Legacy

Kerry Packer's aim was to make a great deal of money. When he died he was worth more than $6.5 billion (Australian dollars), and he was the richest person in Australia and among the top one hundred richest individuals in the world. He was brutal and overbearing to those who stood in his way, but he was loyal to his friends. While he made billions of dollars, he also spent vast amounts on gambling and his other interests, including his passion for polo. After his death, his son James became head of the many Packer enterprises.

—*Eugene Larson*

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See also: Walter Annenberg; Barbara Cox Anthony; David and Frederick Barclay; Silvio Berlusconi; Michael Bloomberg; Anne Cox Chambers; Katharine Graham; John H. Johnson; Robert L. Johnson; Rupert Murdoch; Samuel I. Newhouse; Ted Turner; Oprah Winfrey.

Sir Horatio Palavicino

English banker, merchant, and government official

An Italian expatriate who became an English citizen and renounced Catholicism in favor of Protestantism, Palavicino used his fortune to gain entrée to the English court. He served as financier and greatly influenced foreign policy during the reign of Queen Elizabeth I.

Born: c. 1540; Genoa (now in Italy)
Died: 1600; Babraham, England
Also known as: Horatio Palavicino
Sources of wealth: Banking; trade; government; investments
Bequeathal of wealth: Spouse; children

Early Life

Sir Horatio Palavicino (hoh-RAY-shoh pal-ah-vee-CHEE-noh) was the second son of Tobias Palavicino, a wealthy merchant and banker from a twelfth century family that wielded influence from Genoa to Sicily. His mother was Battina Spinola, who was from an equally powerful family. As a youth, Palavicino was sent to the Netherlands, where for several years he oversaw his family's northern European commercial and financial interests. A shrewd businessman, he became fluent in a number of languages, and by the mid-1550's he was dealing with Queen Mary I of England as the official collector of papal taxes.

First Ventures

In 1566, the Palavicino family paid a large fee to be exclusive agents for the papally monopolized Tolfa mines, a source of alum, a mineral used in the manufacture of paper and textiles. Trading primarily with the Netherlands and England, Palavicino annually imported thousands of tons of alum. When Palavicino ignored papal demands that he not deal with Protestant nations, the pope had his older brother tortured. Palavicino retaliated by selling a warehouse full of alum to Dutch Protestants and pocketing the proceeds instead of giving them to the pope.

Palavicino took up permanent residence in England, became a naturalized citizen, and converted from Catholicism to Protestantism. He parlayed his ill-gotten funds into a fortune by investing in the Royal Exchange stock market. He began a lucrative shipping company, imported pepper, and lent money at high interest rates.

Palavicino was a charming fellow with a reputation as a lothario. He became a favorite of Queen Elizabeth I, and he was a protégé of William Cecil, the queen's treasurer and adviser. When Sir Thomas Gresham, the queen's financial agent and ambassador, died in 1579, Palavicino was named to succeed him.

Mature Wealth

Palavicino became indispensable to Queen Elizabeth and was widely considered to be a savior of the English nation. He lent the financially strapped English government vast amounts of cash, was considered an expert on currency exchange and credit transfer, and served as ambassador to France, Germany, and the Low Countries. As the queen's representative, he was heavily involved in political intrigues, and he stole letters and documents, spread rumors, recruited spies, and negotiated secret agreements.

For his many services, Palavicino was knighted in 1587. Because of his intimacy with foreign affairs, he was one of the first to raise the alarm about the Spanish Armada. He subsequently built and provisioned a ship for this conflict, and he participated in the 1588 battle in which England defeated Spain. The following year, he acquired Babraham Place, a luxurious Cambridgeshire manor surrounded by thirty-five hundred acres.

In 1591, Palavicino married Anna Hooftman of Antwerp, daughter of a prosperous banker. The couple subsequently had three children, Henry, Toby, and Baptina. Palavicino continued to serve Elizabeth until late in the 1590's, when he ran afoul of the queen by trying to corner the grain market, and he was banished from court. He spent his last years at his estate, living comfortably from the proceeds of his many enterprises before he died at his home in 1600. At the height of his prosperity, Palavicino was estimated to be worth the equivalent of nearly £5 billion in 2010 currency.

Legacy

Horatio Palavicino's efforts on behalf of his adopted country, particularly his role in defeating the Spanish Armada, helped change the course of British history. The riches he had accumulated, however, were dissipated not long after his death. His widow, Anna, wed Sir Oliver Cromwell, the wastrel son of wealthy Henry Cromwell and the uncle of Oliver Cromwell, the dominant figure in the Puritan Revolution of the seventeenth century. Anna married off her young children to Sir Oliver's children by a previous marriage. Sir Oliver, a congenital spendthrift in control of his wife's vast fortune, eventually lost Babraham Place and died deeply in debt at age ninety-three; rebuilt in the mid-nineteenth century as Babraham Hall, the estate eventually became home to the Babraham Institute, a biomedical research facility. Of Palavicino's three children, only Baptina, a minor poet who died young, is remembered. However, many of Palavicino's distant relatives, who have included several composers, writers, and cardinals, remained prominent in Italy into the twenty-first century.

—*Jack Ewing*

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See also: Bess of Hardwick; Francis Drake; Sir Thomas Gresham; Sir John Spencer.

John Palmer

British merchant and banker

Palmer's wealth was derived from trade with India. He lived the life of a merchant prince in Calcutta, relying on his reputation for liberality and his social contacts to attract capital and business. However, poor business methods and corruption within his firm resulted in his bankruptcy.

Born: 1766 or 1767; Saint Kitts, British West Indies (now Saint Kitts and Nevis)
Died: January 21, 1836; Calcutta, India
Sources of wealth: Trade; banking
Bequeathal of wealth: Dissipated

Early Life

John Palmer's father, William Palmer, was a high-ranking employee of the British East India Company and later a lieutenant-general in the Indian army. John was the youngest of William's three sons, and the boys were brought up in England while their father served in India. The disgrace of William's patron, Warren Hastings, the first governor-general of Bengal, meant that William was not able to help John attain a lucrative position. Instead, Palmer joined the Royal Navy, seeing action in America's Revolutionary War.

First Ventures

In 1784, Palmer quit the navy and followed his father to India, entering one of the "agency houses," the trading companies set up to take over the duties of the British East India Company after scandals and charges of corruption changed the firm's operations. After the British East India Company effectively became an arm of the British colonial power, trading and banking services were taken over by private enterprises, such as the agency houses.

Palmer joined the firm of Burgh and Barber in Calcutta and was made a partner in the firm in 1793. Two years earlier, he had married Mary Hampton (the couple eventually had five sons and seven daughters). Palmer moved to the firm of Cockerell, Trail & Co. in 1803. In 1810, Cockerell, Trail's business was divided into two companies. The home department in London retained the firm's title, while the Indian division, based in Calcutta and headed by Palmer, became known as Palmer & Co. The two companies retained strong links, although Baring Brothers of London also handled Palmer's financial transactions.

Mature Wealth

Palmer's business philosophy was based on magnanimity. He sought cordial relationships with Indian merchants and British government officials because he was seeking their money as capital for his trading ventures. He became the banker for both the Indians and the British, administering his clients' wills and trusts and remitting money back to London. Although he lived in a grand style, he lent money, helped unfortunate people, and made donations to charity. One of the British governors called him "the prince of merchants."

Palmer expanded his Indian trade from indigo, India's best-selling crop at the time, to cotton, sugar, salt, and, more controversially, opium. He expanded his remittance to all of Southeast Asia, including the Dutch East Indies (now Indonesia), Malaya, and Canton in southern China. He also traded with Australia and the United States, although communication with these nations was slow. To help his trading business, he set up a fleet of ten ships in 1815, expanding to twenty-one ships in 1821, and he established a profit-sharing plan for the ships' captains and crews.

However, his business accounting methods were poor. Palmer was lenient with subcontractors' debts, and he found it difficult to supervise distant enterprises. He lost large amounts of money in the Dutch East Indies, and some of his trusted Indian managers systematically defrauded the company, as did some of the fleet captains. The Anglo-Burmese wars of 1824-1826 made it harder for Palmer to acquire capital.

Eventually, after several smaller agency houses failed, the London firm of Cockerell, Trail called in its debts from Palmer & Co. The company's debts were about £600,000, and Palmer's money was tied up in the indigo trade, which was then undergoing a slump. Despite efforts by some Indian financiers to rescue the company, Palmer & Co. declared bankruptcy in 1830. This bankruptcy soon brought down the rest of the agency houses and left many of Palmer's patrons destitute. In 1833, Palmer tried to continue agency work on a small scale, but he was poor when he died of a fever in 1836.

Legacy

At the time of his death, John Palmer had little money or property to bequeath to his wife and children. However, he did leave a reputation for being the last of the old-style merchant princes, conducting business in India with both the Indians and the British. After Palmer's death, these two communities grew apart and the Indian trade became more profit-oriented and exploitive.

—*David Barratt*

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See also: Robert Clive; William Jardine; David Sassoon; Richard Thornton; Sir David Yule.

PASION

Greek banker

Pasion, a foreign-born slave in ancient Athens with a reputation for trustworthiness and financial skill, earned great wealth as a banker. Gaining both freedom and citizenship, he contributed armaments to the Athenian military.

Born: c. 430 B.C.E.; possibly Phoenicia
Died: c. 370 B.C.E.; Athens, Greece
Sources of wealth: Banking; real estate
Bequeathal of wealth: Spouse; children

EARLY LIFE

Pasion (PAH-see-ohn) was born around the year 430 B.C.E. and most likely was of Phoenician origins. He was a slave belonging to two Athenian bankers, Antisthenes and Archestratos. Their banking and loan company was located in the busy commercial port of Piraeus, five miles from Athens. Pasion married Archippe in the 390's. The couple's son, Apollodorus, was born about 394, and a second son, Pasikles, was born in 380.

FIRST VENTURES

Pasion began working in the bank when he was about twenty years old. His masters were impressed with his honesty and reliability, essential qualities for the handling of large amounts of money. Pasion soon achieved the highest position in the bank: chief clerk managing the money table at the Piraeus harbor. Because of his valuable services, his owners emancipated him.

Pasion continued to work for the bank until he had accumulated sufficient wealth to first lease the bank and then buy it around the year 394. Pasion staffed his bank with slaves; his manager and chief cashier was Kittos and later Phormion. Interest rates in Athens were high, about 12 percent; bankers paid no interest on deposits and collected large commissions on money changing. Pasion's annual income was some 100 minae, equivalent to about $1 million in twenty-first century currency.

MATURE WEALTH

Pasion became the wealthiest banker in Athens. His success was recorded in speeches of the celebrated orators Demosthenes (speech numbers 36, 45, 46, 49, 50, 52, and 59) and Isocrates (speech number 17), to which historians owe many details of Pasion's life. The leading merchants, generals, and elders of Athens and Piraeus banked with him. With his profits, Pasion bought a shield factory (a leading industry in warring Athens), blocks of apartments to rent, and an assemblage of slave employees and servants. Pasion also made generous benefactions to Athens of one thousand shields and five triremes (warships), for which he also supplied crews. As a result, Pasion was granted the prize of Athenian citizenship and enrolled in the deme (village) of Archarnai.

By the 370's, Pasion's eyesight was failing and he was embroiled in heated lawsuits with several depositors. Whether this litigation resulted from the corruption and greed of Pasion, that of the depositors, the exorbitant nature of Athenian banking, or the general litigiousness of Athenian society is difficult to say. Pasion entrusted the operation of his bank and shield workshop to Phormion. Pasion died around 370 B.C.E., the wealthiest man in Athens. His widow married Phormion, per Pasion's instructions.

Pasion's fame was such that the terms of his will were preserved and remain available to scholars and historians. For his widow's remarriage dowry, Pasion left two talents (the largest unit of Greek currency), a block of apartments, jewelry, and maidservants. The remainder of his estate was divided equally between his sons Apollodoros and Pasikles. The estate included about 50 talents (some in the form of outstanding loans), the bank, the shield factory, real estate worth 20 talents, cups, and a gold crown. As it is estimated that the Athenian talent at that time was worth the equivalent of as much as $600,000 in 2010 dollars, Pasion's estate can be said to have been worth approximately $55 million.

Legacy

It would be hard to imagine a more spectacular rise than that of a foreign-born slave to the wealthiest citizen of Golden Age Athens. Pasion acquired a reputation for savvy and hard work but was not without critics and opposing litigants. His rise also reflects the sophisticated nature of Athenian society. Athenians reposed trust in their banking system, with its advanced arrangements of currency, loans, and credit. Pasion's accumulation of money could burst the bonds of slavery in a manner that would be impossible in the harsher, race-based slavery of later times. Pasion's remarkable legacy was paid tribute in orations by his son Apollodorus, Isocrates, and Demosthenes, who were awed by the prowess and wealth of this banker-slave.

—*Howard Bromberg*

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See also: Agamemnon; Hipponicus II; Nicias.

Simón Iturri Patiño

Bolivian tin mining magnate and businessman

Patiño mined Bolivian tin, laying the foundation of one of the twentieth century's greatest fortunes and eventually becoming the dominant force in world tin production. He presided over the international tin cartel of the 1930's.

Born: June 1, 1860; Santiváñez, Cochabamba Department, Bolivia
Died: April 20, 1947; Buenos Aires, Argentina
Sources of wealth: Mining; metals refining; banking
Bequeathal of wealth: Spouse; children; charity

Early Life

Simón Iturri Patiño (see-MOHN ee-TUHR-ree pah-TEEN-yoh) was born on June 1, 1860, in the village of Santiváñez, in the department of Cochabamba, Bolivia. The details of his youth are cloudy, although most accounts say that his parents, Eugenio Iturri and María Patiño, were of indigenous and Basque descent. He attended elementary school in the village and then moved with his mother to Cochabamba, where he received his secondary education in a Catholic seminary.

Seeking employment, Patiño left Cochabamba and moved to Oruro in the late 1870's to work for a company that supplied imported goods for the nearby silver mines. In 1884, he obtained a clerical position in the Huanchaca Company of Bolivia, a large silver mining enterprise, which gave him important experience in the operations of the mining industry. He then took a position with the Fricke Company, a German business that supplied machinery and working capital to miners and bought ore from them. By the mid-1890's, Patiño had gained broad experience in most aspects of mining. On May 1, 1889, he married Albina Rodríguez Ocampo of Oruro, with whom he had five children: René, Antenor, Graziella, Luz Mila, and Elena.

First Ventures

In 1895, Patiño formed a partnership with Sergio Oporto, who had been working the small, four-hectare mining claim of La Salvadora, located southeast of Oruro and at an elevation of twelve thousand feet on Espíritu Santo mountain. Larger claims were already being worked profitably for silver and tin nearby at Uncía by John Minchin and at Llallagua by Pastor Sainz. Discouraged by La Salvadora's lack of success, Oporto sold his share of the mine to Patiño on August 26, 1897. At that point, Patiño left Fricke and went to the mine to direct its operations.

In early 1900, Patiño's workers struck an extremely rich vein of tin, the exploitation of which laid the foundation of Patiño's fortune. He immediately hired an engineer to manage La Salvadora and set about acquiring financing for machinery in order to modernize operations, meanwhile working furiously to fend off lawsuits and attempted invasions of the mine by Sainz and Minchin. With funds from international lenders, he built a refining mill to concentrate his ore and thus reduce the cost of shipping it out for smelting. By 1905, he had become Bolivia's largest tin producer. Five years later, he purchased Minchin's holdings at Uncía. Additional purchases of tin mines elsewhere in Bolivia expanded his holdings. Primitive transportation infrastructure had initially forced Patiño to ship out his ore by llama and mule. He built cart roads, and from 1911 to 1921 he financed and constructed a railroad that connected the mines with Oruro and the La Paz-Antofagasta line.

MATURE WEALTH

Not satisfied with being the largest producer of tin ore in Bolivia, Patiño moved toward further expansion by acquiring ore deposits in other countries and, more important, by increasing his holdings in the smelting business. One of Patiño's competitive challenges was that mining costs in Bolivia were higher than in the Southeast Asian and African tin fields. In the Andes mountains, tin was mined underground and at high altitude, compared to Malaysia, where the metal could be dredged or extracted from open pits. The transportation costs of hauling ore down from the mountains to the coast were also expensive. Patiño kept workers' wages low at his Bolivian mines, and he also bought shares in Malaysian and African ore fields.

The smelting or refining of his ore also presented challenges for Patiño. Heating the ore required great amounts of energy, but fuel was scarce in Bolivia. Patiño consequently had to ship his ore out of the country for smelting. He established processes to concentrate the ore in order to remove as much of the dross as possible so that only profitable tin ore was exported. Patiño also began investing in European tin smelters. His early relationship with the Fricke company of Germany led him initially to associate with the German smelting company of Zinnwerke-Wilhelmsburg. However, Patiño astutely broke with the German smelters at the outbreak of World War I, shifting his ore to Williams, Harvey & Company, Ltd., of Liverpool, England, which was the largest European tin smelter. He later joined forces with Edward J. Cornish of the American-based National Lead Company, a large consumer of tin, to press Williams, Harvey to allow Patiño and Cornish to buy a share of the British company. Patiño and Cornish threatened to build their own smelter unless Williams, Harvey agreed to the sale. Patiño and Cornish initially bought a half interest in Williams, Harvey, and by the end of the war they had purchased the remainder, giving them control of the British smelter. Between 1916 and 1918, the two men also established the Williams, Harvey Corporation, an American firm that built a smelter in Long Island, New York.

Meanwhile, Patiño continued to build his holdings. Through the firm of Penny and Duncan, he secretly bought stock in the Llallagua Tin Company, his old rival from the Espíritu Santo mountain. In 1924, he and Cornish announced that they owned two-thirds of the Llallagua stock. A few weeks later, he founded Patiño Mines and Enterprises Consolidated, which he incorporated in Delaware, near sources of American capital. He also bought interests in African and Asian tin mines. All of these transactions internationally diversified his holdings. In 1914, he and his family moved to Europe, where he could more closely supervise his companies and investments, and he left his Bolivian holdings under the management of a trusted and brilliant lawyer, Arturo Loaiza.

Patiño never returned to Bolivia after 1920, although he continued to exert tremendous economic and political influence in his homeland. Besides his tin mining interests in Bolivia, he owned banks and commercial enterprises and produced other metals, such as tungsten, lead, and silver. He founded the nation's Mercantile Bank, invested heavily in the electrical utilities of Oruro and Cochabamba, and supplied funds to build a railroad from Sucre to Potosí when other sources of capital were unavailable. As the country was dependent on earnings from tin exports, Patiño had tremendous political power in Bolivia and could rely on the government to send in troops to quell labor unrest in his mines. It was said that his Catavi and Siglo XX mines produced and consumed more electricity than the rest of Bolivia. Patiño also served as his country's ambassador to Spain and to France. His wealth was staggering, with some ranking him among the world's five wealthiest individuals.

When tin prices declined in the late 1920's because of an oversupply of tin on the world market, Patiño led the move to create the Tin Producers Association in July, 1929, in an attempt to increase prices by limiting production. With Patiño as its president, the association set national output quotas (with Bolivia receiving a large share), and by 1933 the International Tin Control Scheme had managed to eliminate the tin glut and raise prices. The outbreak of World War II, with the war's tremendous demand for metals, ended the need for the cartel. To avoid the hostilities, Patiño moved to the United States in 1939. He wanted to return to Bolivia, but his doctors advised against it because of a serious heart attack he had suffered in 1924. Patiño did return to South America, however, dying in Buenos Aires, Argentina, on April 20, 1947. He was buried on the grounds of his Paurumani estate outside Cochabamba.

LEGACY

Simón Iturri Patiño left a contradictory legacy. A self-made entrepreneur and industrialist of mestizo ancestry, he accumulated one of the great fortunes of the early twentieth century and gained entry into the circles of European aristocracy and international finance. Bolivia depended on revenues from his tin, yet many Bolivians believed Patiño had abandoned the nation and had siphoned profits away from a country that desperately needed the capital for its own development. The largest private employer in Bolivia, Patiño provided housing, schools, hospitals, and subsidized food for his workers and their families, but he kept their wages low and their working hours long. Until the 1940's, his managers brutally resisted any workers' attempts to organize, as evidenced by the massacre at the Catavi mine in 1942.

Patiño's mining empire in Bolivia did not survive. During the Bolivian Revolution of 1952, the nation seized his mines. Nonetheless, after Patiño's European smelters refused to refine Bolivian tin ore, Bolivia compensated his family for the confiscated properties. Patiño's heirs suffered surprisingly little from the expropriation because his diversification had made his Bolivian holdings a relatively small part of his estate. By the early 1970's, after declining tin prices and mismanagement had caused the collapse of Bolivia's government-operated mining industry, some workers found themselves wishing for the return of Don Simón.

—*Kendall W. Brown*

FONDATION SIMÓN I. PATIÑO

Eleven years after the death of Bolivian mining magnate Simón Iturri Patiño, Patiño's heirs founded the Fondation Simón I. Patiño in 1958. The foundation, headquartered in Geneva, Switzerland, promotes and funds programs related to South America, especially Bolivia, giving preference to projects in the fields of education, culture, research, health, hygiene, nutrition, agriculture, and ecology. Many of its programs are carried out from the Bolivian properties of the Fondation Universitaire Simón I. Patiño (Simón I. Patiño university foundation), which Patiño created in 1931. Other activities, particularly those related to culture, ecology, and literary publication, are centered in Europe.

The two foundations' programs build upon the work initiated by Patiño himself, who established his university foundation to rectify the lack of technological and managerial expertise in Bolivia. Patiño never had the opportunity to obtain university training, but he recognized his country's tremendous need for such education. He worked to set up the foundation with Belgian educator Georges Rouma, who had been training teachers in the normal school at Sucre, Bolivia. Patiño chose the university foundation's motto: "Love for the work and respect for the law." The organization provided scholarships for students to attend foreign institutions, funds for Bolivian universities, and cultural and scientific prizes in Bolivia.

In the twenty-first century, the Fondation Simón I. Patiño pursues its activities in several locations. The Simón I. Patiño Pedagogical and Cultural Center in Cochabamba, Bolivia, hosts meetings for the discussion of teaching and of general Bolivian problems and also promotes reading through a network of libraries. The Simón I. Patiño Space in La Paz, Bolivia, is a meeting place for artists and intellectuals and a center for expositions of photography, design, and painting. The Albina R. de Patiño Pediatric Center in Cochabamba provides medical training and treats Bolivian orphans. The Pairumani Center of Fito-Ecogenetic Research is a genetic seed bank for highland food crops located in the department of Cochabamba, which is also the site of both the Pairumani Model Farm, which works to improve Bolivian livestock and develop seeds for the Fito-Ecogenetic Center, and of the Pairumani Seed Center, which sells the center's seeds. The Simón I. Patiño Center of Applied Ecology in Santa Cruz, Bolivia, tests environmental models. The University Center in Geneva, Switzerland, provides executive training for Bolivian university students, and the Editorial Patiño, also in Geneva, publishes works in indigenous languages and translations from Spanish into French of literary and artistic works.

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See also: Arthur Vining Davis; Charles Engelhard, Jr.; Meyer Guggenheim; Moritz Hochschild; Andrónico Luksic; José Tomás Urmeneta.

Jacopo de' Pazzi

Italian merchant and banker

Pazzi inherited a great deal of his fortune from the commercial and banking wealth accumulated by his Florentine father, brothers, and nephews. As his family's leader from 1464 to 1478, he challenged the fortune of the powerful Medici family, initially as a competitor for papal business and then in the infamous, failed Pazzi Conspiracy to overthrow Medici rule.

Born: 1433; Florence (now in Italy)
Died: April 30, 1478; Florence
Also known as: Jacopo di Andrea de' Pazzi; Iacopo de' Pazzi
Sources of wealth: Inheritance; banking; real estate
Bequeathal of wealth: Relatives; dissipated

Early Life

Although the lives and fortunes of many Renaissance-era Florentines are well documented, Florentine officials and mobs destroyed many of the records of the Pazzi family after the Pazzi Conspiracy of 1478. However, it is known that Jacopo di Andrea de' Pazzi, better known as Jacopo de' Pazzi (YAHK-oh-poh day PATS-zee), was the son of Andrea de' Pazzi (1371-1445), whose commercial and banking ventures established the old noble family's business foundation. Jacopo would have been apprenticed to his father's firms, following the leads of his two older brothers. With unlimited credit from the Medici family, Andrea, from his headquarters in Florence, had established branches of the cloth trade in Barcelona and banking relations with both the Papacy and the king of Naples. Andrea also had a contract to deliver silver to Barcelona's mint. The family's first papal deposit was 4,000 florins in 1443, the same year that King René I of Naples knighted Andrea.

First Ventures

Jacopo was twelve when Andrea died, and he would eventually have served his brothers, Antonio and Piero, as they expanded their father's commercial and financial empire. The Pazzi family established branch offices for trade and banking in French and Flemish cities, such as Lyon and Bruges, as well as strengthening their already existing branches in Italy and Aragon. Unmarried and free to travel, Jacopo represented the brothers' presence across the Pazzi commercial network until his nephews came of age. Jacopo eventually married Florentine aristocrat Maddalena Serristori, and the couple had a daughter, Catherine, born in 1463, but no sons.

Mature Wealth

In 1458, the city-state of Florence surveyed the wealth of its inhabitants for tax purposes. Cosimo de' Medici headed the list with a liability of 576 florins; Jacopo ranked only twelve notches below Cosimo, though his liability was one-sixth of Cosimo's. In the same year as the Florentine survey, Jacopo and his brother Piero challenged Cosimo and his putative heir, Piero di Cosimo de' Medici, by hiring architect and sculptor Giuliano da Maiano to build a family palazzo that rivaled that of the Medici. Piero de' Pazzi died in 1464, leaving Jacopo as paterfamilias for his five nephews. These nephews handled the major Pazzi companies in Rome, Naples, Barcelona, Bruges, and Lyon, while Jacopo ran the family bank and cloth warehouses in Florence and oversaw smaller offices in far-flung cities like Marseille, Valencia, and Ragusa. At this time, only the Salviati family had a similar system of companies, or cluster of companies, in Florence.

The overlapping of debits, credit, cash, and goods in transit makes estimations of Jacopo's personal wealth difficult to ascertain. Historian Francesco Guicciardini stated that by the 1470's, the Pazzi were Florence's richest family, and Jacopo was at the family's head. Jacopo served in several major offices, including prior; ambassador to the Holy Roman Emperor and to the king of Naples; gonfalonier of justice; and one of the twelve Buonuomini, an organization that dispensed charity. Between 1474 and 1476, the Pazzi family outmaneuvered the Medici at the Papacy, gaining both the papal depository and alum concession in return for a 30,000-ducat loan, which kept Lorenzo de' Medici from acquiring the small state of Imola. This was the high-water mark of Pazzi family power.

Legacy

Resentful of Medici arrogance and power in Florence, Jacopo's nephew Francesco de' Pazzi plotted to kill Lorenzo and his brother Giuliano de' Medici in what has become known as the Pazzi Conspiracy. On April 26, 1478, the Medici brothers were assaulted, and Giuliano was killed. Ever the gambler, Jacopo had discharged all of his debts in the days preceding the attack, and when the assault occurred he rode his charger through the streets crying "Libertá" (liberty). Like several of the Pazzi, he was hunted down and executed. Part of his estate was seized by the government, part by his nephew Guglielmo, and his personal effects were auctioned off on June 1 at the Florentine mint. Jacopo's generosity to churches, religious houses, and the poor paled beside his infamy as a conspirator.

—*Joseph P. Byrne*

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See also: Ridolfo de' Bardi; Giovanni de' Medici; Lorenzo de' Medici; Filippo di Peruzzi; Filippo Strozzi.

George Peabody

American banker, merchant, and philanthropist

Peabody amassed his fortune as one of the first investment bankers, and he then used his wealth to aid people in the United States and London. Generally recognized as the first American philanthropist, he funded schools, museums, cultural institutes, and housing projects.

Born: February 18, 1795; South Danvers (now Peabody), Massachusetts
Died: November 4, 1869; London, England
Sources of wealth: Banking; trade
Bequeathal of wealth: Charity; educational institution

Early Life

George Peabody was the son of Thomas Peabody and Judith Dodge Peabody, both of whom were from Massachusetts families of English dissenters. Thomas Peabody, a leatherworker and small farmer, could not support his large family. At eleven, George, the third of eight children, was apprenticed to John Proctor, who ran a general store. Here Peabody learned to keep accounts, write clearly, serve customers, and appreciate those who helped him. Proctor valued Peabody as a conscientious worker and offered him a paid position when his apprenticeship was completed. However, Peabody chose to explore other possibilities, moving to his grandparents' farm in Vermont, where he worked with his grandfather and met his sea captain uncle who impressed upon him that there were other possibilities in life. At age fifteen, Peabody returned to work in his brother's drapery shop in Newburyport, Massachusetts. This business failed because of a widespread, local fire, and Peabody began looking for a new position.

First Ventures

Peabody's first successful business venture resulted from an opportunity presented by an uncle, Colonel John Peabody. Recognizing the charisma and good work habits of this young man, Colonel Peabody invited his nephew to join him in establishing a general store in the Georgetown area of the District of Columbia in 1812. This business thrived, despite the impact of the War of 1812 upon the area. While young Peabody prospered, Colonel Peabody became mired in debt and had to give up the store.

While working with his uncle, Peabody served as a volunteer soldier in the auxiliary in the War of 1812. There he met Elisha Riggs, a merchant and banker, who was so impressed with the young man that in 1814 he invited Peabody to join him in a partnership in which Riggs was the major investor. According to Peabody's records, after five years the firm earned a profit of $70,709.24, a figure reflecting the partners' success and Peabody's habit of keeping precise records. In 1816, the partners decided to move their business to Baltimore, Maryland, which at this time was second only to New York City as a commercial center. By 1827, the business had greatly expanded, and Peabody frequently traveled to Europe in order to develop markets and buy products. In so doing, he cultivated important business associations and learned about world trade. The partners renamed the company Riggs, Peabody and Company and developed branches in Philadelphia and New York City.

George Peabody. (Hulton Archive/Getty Images)

Mature Wealth

By 1829, Riggs withdrew from the company and moved to New York City, where he became an investment banker. Peabody became partners with Riggs's nephew, Samuel Riggs, and changed the name of the company to Peabody, Riggs and Company, a firm that bought and sold products in Europe, the United States, and China. By the end of the 1830's, the company's focus was shifting from simply buying and selling products to financing the production and distribution of goods manufactured by other companies. Having traveled to Europe frequently by 1837, Peabody established himself in London. He gave up the dry goods business altogether and became a merchant and investment banker. By 1842, Samuel Riggs had left the firm, which was renamed George Peabody and Co.

Peabody earned a reputation for being a shrewd and honest businessman. He dealt largely in foreign exchange and American securities. American states had looked to Europe, especially London, to borrow money. In 1837, America experienced an economic crisis that caused individual states to repudiate interest on their loans and sometimes fail to repay these loans. Peabody was distressed to see this financial embarrassment of his countrymen, and he worked to restore confidence in the American states. To this end, he invested heavily in the states' securities, simultaneously working to promote American enterprises in Europe and urging the states to preserve their commercial honor. At one point he labored to sell bonds for the state of Maryland in order to finance construction of the Chesapeake and Ohio Canal. He finally persuaded Baring Brothers, the wealthiest banking house in Europe, to accept the states' securities, a deal reflecting his persuasive powers and trustworthy reputation.

Peabody lived a modest lifestyle, but he believed in presenting a positive image. He wore fine clothes and entertained with style. He eagerly welcomed Americans to London and eased their way into business or society. During any given week he took as many as eighty American visitors to dinner and thirty-five people to the opera. In 1851, England planned the Great Exhibition of Works of Industry. When Peabody learned that the United States was sending representatives but did not plan to exhibit America's important new inventions, he undertook to pay for the effective presentation of such products as Samuel Colt's revolver, Cyrus Hall McCormick's reaper, and Richard March Hoe's printing press, all of which astounded exhibition visitors. In the same spirit of fostering goodwill, Peabody began hosting huge Independence Day dinners, with the first one attended by the duke of Windsor.

From his youth, Peabody felt a strong sense of responsibility for those close to him, an ever-expanding circle of people. He supported his family from his first apprenticeship, and he supported Colonel Peabody's family after the colonel's death. He contributed to fire victims in his hometown, and he aided his first employer, Proctor, in old age. He paid for his nephews and nieces to attend college and graduate school. Appalled at the desperate condition of the Irish people during the potato famine, he paid for grain to be delivered to the hungry. Having had little education himself, Peabody supported not only the education of his family but also the education of others, funding scientific studies, libraries, museums, lectures, and teacher training. In London, he created a fund to build housing for the poor.

As Peabody's company thrived, he began to look to the future and to retain a new partner. He found this person in Junius Spencer Morgan, who joined his firm in 1854. After Peabody's death, Morgan's son J. P. Morgan would become a partner in the firm that became J. P. Morgan and Company.

As Peabody grew older, he became increasingly interested in ways to divest his wealth for the optimum benefit of humankind. He made extended trips to the United States in the last years of his life, visiting his many friends and relatives and developing philanthropic plans. He was esteemed and honored in both the United States and Great Britain. Grateful citizens of London erected a statue to him in the city's financial district, and Queen Victoria presented him with a letter of gratitude and her portrait. He received the Freedom of the City of London award. When he died in London in November, 1869, he became the first American to be honored with interment in Westminster Abbey. At his request, his body was to be buried in his family plot in Salem, Massachusetts, and his body was moved to the United States. The British and American navies vied for the honor of transporting his remains. In a compromise, his coffin traveled across the Atlantic in a British warship, *The Monarch*, escorted by an American warship.

The Peabody Institute

George Peabody dedicated the Peabody Institute in 1857 to acknowledge his appreciation of the kindness and hospitality of the citizens of Baltimore. He had long desired to create a cultural center in order to support and develop the city where he first made his fortune. His goal was to establish a facility that would promote the public welfare. Peabody designed the institute with advice from John Pendleton Kennedy, a lawyer and former congressman and secretary of the U.S. Navy. The building included a public library, music conservatory, art gallery, and facilities for public lectures.

Although the Peabody Institute was dedicated in 1857, its opening was delayed by disagreements related to the Civil War, with some trustees expressing pro-Northern sentiments and others favoring the South. As city leaders continued to bicker, Peabody came to feel even more strongly that the institute could be source of national healing, a place where all citizens of Baltimore could gather, put aside their differences, and appreciate art and learning.

The building finally opened in 1878. It was designed by architect Edmund G. Lind in cooperation with first provost Nathaniel H. Morrison. The most prominent feature of the institute was its interior, which contained five tiers of cast ornamental iron fabricated by the Bartlett-Robbins Company of Baltimore.

In 1966, management of the institute's Peabody Library was transferred to the city of Baltimore to be administered by the Enoch Pratt Free Library. Johns Hopkins University assumed the Peabody Library's administration in1982. In the twenty-first century, the George Peabody Library, a noncirculating collection open to the public, was part of the special collections department of the university's Sheridan Libraries. The entire institute was a division of the university, which was fitting because Peabody persuaded his friend, businessman Johns Hopkins, to establish the college that would bear Hopkins's name.

Legacy

Peabody, considered the first American philanthropist, became a model for others. He established the first philanthropic foundations in England and America. In Baltimore, he advised and inspired Johns Hopkins and Enoch Pratt, who respectively financed a university and library for this city. Other philanthropists also followed Peabody's lead.

Peabody himself funded the Peabody Institute in Baltimore, the first cultural center in the United States, which provided a public library, lyceum, music conservatory, art gallery, and monetary awards for outstanding students. He established the Peabody Education Fund, designed to reinvigorate education in the South after the Civil War. The George Peabody College for Teachers, now merged with Vanderbilt University, remained a leading school for training teachers into the twenty-first century. He created the Peabody Institute in what is now Peabody, Massachusetts, and he endowed museums and chairs in natural science and anthropology at Yale and Harvard Universities, respectively. In London, he built Peabody Homes, a multibuilding complex that in the twenty-first century continued to provide thousands of homes for the working poor. His assistance to his nephew, Othniel C. Marsh, enabled Marsh to become a world-renowned paleontologist.

—*Bernadette Flynn Low*

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See also: Samuel Colt; John W. Garrett; Johns Hopkins; Cyrus Hall McCormick; J. P. Morgan.

Jean Pellet

French trader and landowner

Pellet acquired his primary wealth in colonial trading, which was an important commercial activity in eighteenth century France. As his wealth increased, the upper echelons of society opened to him and his lifestyle changed, as was typical of successful members of the bourgeoisie.

Born: 1694; Bordeaux, France
Died: 1772; place unknown
Sources of wealth: Trade; real estate
Bequeathal of wealth: Children

Early Life

Jean Pellet (zhahn peh-LAY) was born in 1694 in Bordeaux, France. His family belonged to the bourgeoisie. Pellet's father went to Martinique, where he became involved in trading. His success as a trader enabled him to amass a small fortune and start a family firm that provided Jean and his brother with a sizable amount of capital to begin their careers.

In 1711, Pellet set sail for the West Indies for the first time. There, he bought a house for 78,000 livres. In 1717, he married a Creole woman who brought him a dowry of 20,000 livres, and the following year he returned to Bordeaux.

First Ventures

In 1719, Pellet founded a trading firm with his brother. Pellet established himself as a successful speculator and outfitter of trading ships in Bordeaux. At first, he was simply involved in trading as a merchant selling goods. However, in 1729 he became the agent for a Spanish company, La Compagnie de Caraque, which brought cocoa from Venezuela to sell in France. His work on behalf of the company led him to acquire three or four ships of his own and to expand his trading activities to include the ports of Hamburg, Amsterdam, Cork, and Bilbao. As a speculator, Pellet shipped manufactured goods and foodstuffs that arrived in the West Indies when agricultural products grown there were being harvested. At harvesttime, West Indians would have a surplus of local products, which Pellet would purchase at low prices and then sell at higher prices in France and other European countries. By 1733, he had amassed capital of 300,000 livres.

Mature Wealth

Pellet, like all members of Bordeaux's bourgeoisie, envisioned his trading operations not only as a way to become rich but also as a vehicle to attain upward social mobility. By acquiring wealth, he was able to buy land in order to raise his standing in society. The landed nobility were at the top of the social hierarchy. Thus, Pellet began buying land with the purchase of some vineyards in Graves, a city southwest of Bordeaux. In 1735, he purchased the office of secretary to the king for 120,000 livres. He also devised a scheme to present his family as a forgotten branch of the Narbonne lineage in order to become *grande noblesse* (major nobility). The failure of this scheme, however, caused him a certain amount of ridicule.

In 1738, he purchased land belonging to the Anglade family for 145,000 livres. During the War of the Austrian Succession (1740-1748), the English captured Pellet's best trading ship. Recognizing the dangers of seafaring and trading, Pellet decided to stop trading and to invest his money in land. In 1741 and 1746, he bought properties bearing noble titles, including the comte de Talmont. From 1747 to 1750, he built an elaborate thirty-room house on the Place Royal in Bordeaux. By 1768, his wealth had risen to the sum of 1,930,000 livres. He died four years later.

Legacy

Jean Pellet's life illustrates the role of acquired wealth in changing the social status of individuals in eighteenth century France. During his lifetime, Pellet became one of the major businessmen and traders of Bordeaux. Using the wealth he acquired in colonial trading and speculation, he ascended socially from the merchant class of bourgeoisie to that of landed gentry and *petite noblesse* (minor nobility).

Although Pellet did not succeed in becoming part of the *grande noblesse*, his four sons were fully accepted into the *noblesse de la robe* (judiciary nobility). The two eldest sons, Jean-Jacques and Jacques, became members of the Bordeaux parliament. One of Pellet's other sons held the office of treasurer of France, and the fourth son became governor of Langon. Ironically, because Jean-Jacques was a member of the aristocracy, he was guillotined in 1793 during the French Revolution.

—*Shawncey Webb*

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See also: Samuel Bernard; John Law.

William Penn

British landowner and founder of the Pennsylvania colony

Penn, an English Quaker and a proponent of religious tolerance, founded the Pennsylvania colony. The colony and his estates in England and Ireland made him for a time the largest private landholder in the world.

Born: October 14, 1644; London, England
Died: July 30, 1718; Ruscombe, Berkshire, England
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Spouse; children

Early Life

William Penn was born on October 14, 1644, in London, the son of Admiral Sir William Penn and Margaret Jasper. The senior Penn had fought in the English Civil Wars and was rewarded by Puritan leader Oliver Cromwell with estates in Ireland. The junior Penn developed an early interest in religion, having heard a speech by Thomas Loe, a missionary for the Society of Friends, known by the then-derisive name Quakers.

Penn studied Greek and Roman classics and became a religious rebel at Oxford University, where he defied Anglican Church officials by visiting John Owen, a professor who had been dismissed for advocating tolerant humanism. Penn also protested compulsory chapel attendance, which resulted in his being expelled from Oxford at age seventeen. Penn's parents then sent him to France, where he enrolled at the Protestant Academy.

First Ventures

Returning to England by 1664, Penn studied at Lincoln's Inn, a prestigious London law school. He attended Quaker meetings, a criminal act at this time, and was arrested several times. As an aristocrat, he was offered release, but he refused, insisting that all Quakers be treated equally. Penn was imprisoned six times in England for speaking his mind on religion. He used his diplomatic skills and family connections to release large numbers of Quakers from jail. He also saved many from the gallows.

As a result of these activities, Penn's father disowned him for a time. Penn later used his legal training to prepare a historic defense of religious toleration in court. The jury acquitted all defendants, but the lord mayor of London refused to accept the verdict. The lord mayor fined the jury members and ordered them to be held in the brutal Newgate Prison. The jurors sued the mayor for false arrest and won, establishing a major precedent protecting the right of trial by jury.

In 1670, Admiral Penn died, leaving William with a substantial income of £1,500 a year, estates in Ireland, a gold chain and medal, and silver bullion.

Mature Wealth

Convinced that religious toleration was not possible in England, Penn requested a charter for an American colony. On March 4, 1681, King Charles II granted Penn a charter for territory west of the Delaware River and north of Maryland, in exchange for canceling a debt of £16,000 that was owed to Admiral Penn. The Pennsylvania colony's original principles included scrupulous attention to nonviolence, as well as fairness in land dealings and trade with Native Americans.

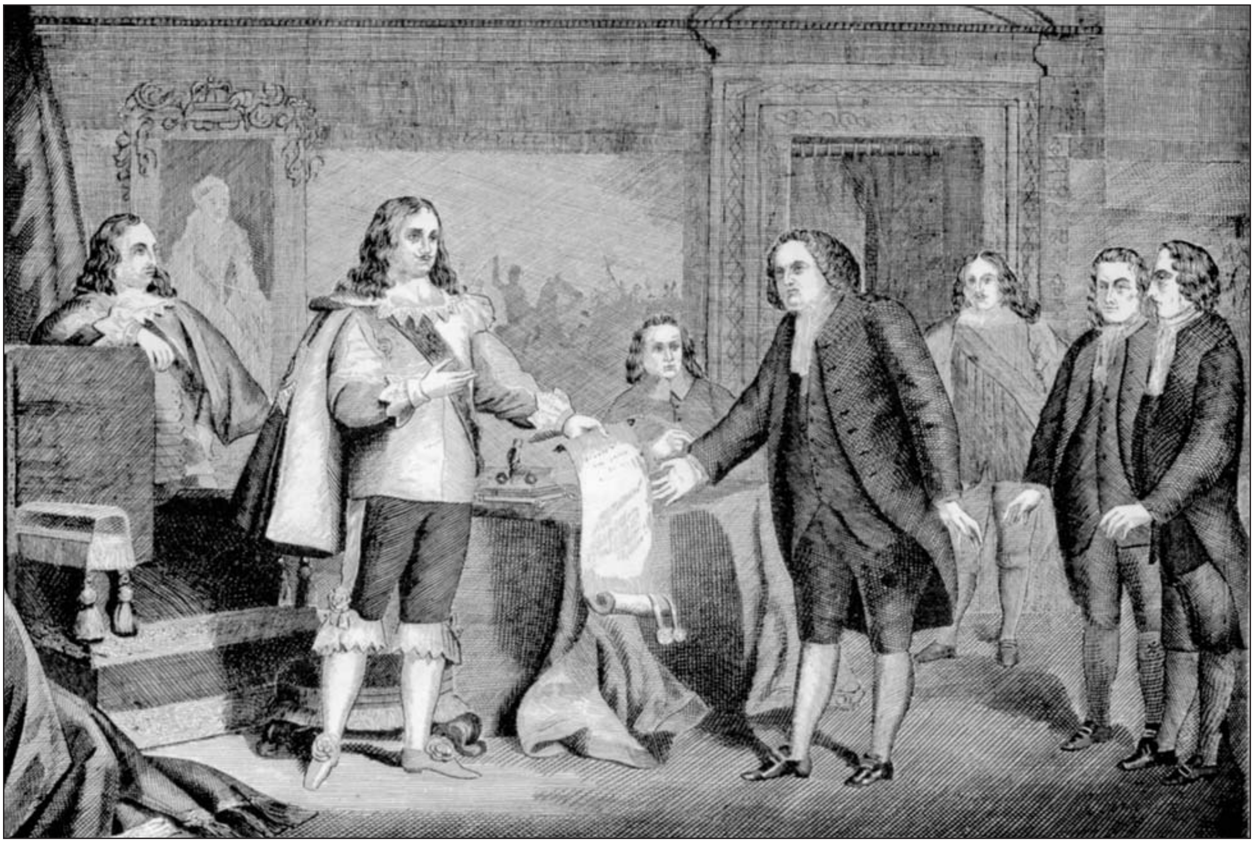
Despite his radicalism, Penn retained great wealth, living in an English country mansion, Warminghurst, and an American country manor, Pennsbury. His other estates in England and Ireland produced revenue of £2,000 per year, equivalent to about $22 million in 2010 U.S. dollars. In addition, the royal grant of Pennsylvania made him, for a time, the largest private landowner in the world, with more than forty-five hundred square miles of private property, rich in natural resources.

Although he retained very little of this wealth, Penn used his influence to endow a colony that embodied his personal beliefs of religious tolerance and peaceful relations with the original inhabitants, going against prevailing public opinion. Penn's personal wealth enabled the realization of his vision. Penn's First Frame of Government, which the initial land purchasers adopted on April 25, 1682, anticipated the Declaration of Independence, providing for secure private property, nearly unlimited free enterprise, a free press, and trial by jury, as well as religious toleration.

Legacy

Penn was a shrewd businessman who competed with George Calvert, founder of Maryland, for territorial rights. Using his friendly relations with Native American peoples, Penn outmaneuvered Maryland agents, a fact that remains evident in the twenty-first century to anyone who compares the relative sizes of Pennsylvania and Maryland.

By 1701, Penn had returned to England for the rest of his life. He tried to administer his declining estate from a



William Penn, center right, receives the charter of Pennsylvania from Charles II. (Library of Congress)

distance until he experienced a debilitating stroke in 1712. Four months later, he suffered a second stroke. In the meantime, his financial adviser, Philip Ford, swindled Penn out of nearly all of his income from lands in Ireland. After that, Penn experienced difficulty speaking and writing until he died on July 30, 1718, at his home in Berkshire, England.

Penn's will directed that the income from his Pennsylvania lands be used to pay his debts. After the debts were settled, he bequeathed the Pennsylvania proprietorship and his considerable English, Irish, and American estates, as well as several thousand pounds a year, to his wife, children, grandchildren, and heirs. His will stated his desire that his children "may settle at least in good part in America where I leave them so good an Interest to be for their Inheritance from Generacon [generation] to Generacon, which the Lord's p'serve and prosper."

—*Bruce E. Johansen*

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See also: Robert Carter; Benjamin Franklin; John Hancock; George Washington.

THOMAS H. PERKINS

American merchant, investor, and politician

Amassing a fortune by trading with China, Perkins was able to invest in domestic enterprises. A member of an elite group of Boston merchants, he became a patron of the arts and financially supported a number of institutions, including the Perkins School for the Blind.

Born: December 15, 1764; Boston, Massachusetts
Died: January 11, 1854; Boston, Massachusetts
Also known as: Thomas Handasyd Perkins; Colonel T. H. Perkins
Sources of wealth: Trade; slave trade
Bequeathal of wealth: Children; relatives

EARLY LIFE

Thomas Handasyd Perkins (TOM-ahs HAHND-ah-sid PUHR-kihns) was the second son of James Perkins, a wine merchant, and Elizabeth Peck Perkins. Perkins's father died in 1773, leaving Elizabeth to care for a large family. Elizabeth's father, Thomas Handasyd Peck, an importer and dealer in furs and hats, helped her set up a grocery shop. Although James left an estate of about £350, Elizabeth, a natural businesswoman, increased his estate one hundredfold before she died.

However, Boston was becoming an increasingly dangerous place to live after the Boston Massacre and the Revolutionary War battles at Lexington and Concord. Food was becoming scarce, and shortly before the battle of Bunker Hill on June 17, 1775, Elizabeth took her seven children to Barnstable on Cape Cod. Her father and mother stayed in Boston to protect their property and other interests. Elizabeth and the children stayed with Squire Edward Bacon, and the children went to school. After the British withdrew on March 17, 1776, the Perkins family returned to Boston.

That autumn, Thomas was sent to live with Reverend Daniel Shute in Hingham in order to be prepared to enter Harvard College. However, his mother's business had suffered during the revolution and Perkins needed money, so after three years of study with Shute he went to work at William Dall's counting house. A year later he gained employment at W. & J. Shattuck, a large mercantile enterprise, where his older brother James was foreman of the apprentices. At age twenty-one, Perkins received £65 from his grandfather's will. Following his older brother, Perkins went to sea, looking for adventure and fortune.

FIRST VENTURES

At Cape Francis on the island of Santo Domingo (later renamed Hispaniola) in the West Indies, Perkins found an opportunity. In 1786, Perkins, his brother James, and Walter Burling founded a commission merchant business, Perkins, Burling & Perkins. Acting as middlemen, the three men were involved in the slave trade. They also sold other commodities, including dried fish. On March 25, 1788, Perkins married Sarah Elliot from Boston. When her father Simon Elliot died, Sarah and her husband inherited $16,000. The couple would have eleven children. Wishing to stay in Boston, Perkins formed a company with an uncle, which they called T. H. Perkins & James Magee. The firm sold wine, spirits, and rice on commission but had aspirations beyond shopkeeping.

MATURE WEALTH

In 1785, Elias Hasket Derby of Salem, Massachusetts, had opened up trade with China. By the summer of 1788, Derby arranged with Magee, a ship captain, to sail Derby's ship *Astrea* to China. Magee engaged Perkins to be his "supercargo" for the trip; Perkins's duties were to supervise the cargo, handling all aspects of its care and sale, as well as the purchase of return goods. On February 15, 1789, the voyage to China began. Perkins and his shipmates reached Whampoa (Huangpu) on September 18, but they had to moor the ship and row up the Pearl River to Canton because the Chinese government had proclaimed that all trade with the outside world was to be conducted at Canton. In conversation with other merchants, Perkins found out about lucrative trade opportunities in sea otter skins found along the northwest coast of the United States. Loaded with goods, the *Astrea* returned to Boston on May 31, 1790.

With his share of the profits, Perkins became a ship owner. He, Magee, and Russell Sturgis purchased the *Hope*, and they fitted this ship to sail to the West Coast, purchase sea otter skins and other furs, and continue to China, where these furs were extremely popular. Because of the slave insurrections in the West Indies, James joined his brother Thomas in Boston, and the firm James and Thos. H. Perkins was established on Long Wharf, selling various sugars, cotton, wine, and other goods. By 1792, the company had investments in seven ships. Although the Perkins brothers suffered major losses to their business in Santo Domingo because of the slave riots, and the *Hope* did not achieve its anticipated profits, another of their ships, the *Margaret*, made the equivalent of $100,000 for each owner. The brothers put their earnings back into the ships that they owned solely or in partnership with other merchants. The Perkins brothers also became involved in short-term speculation in the West Indies, sizable investments in the European markets, and long-term ventures in the China trade.

Searching for new markets and goods to sell, Perkins traveled to Europe. In 1794 he decided to go to Paris to take advantage of the shortages and scarcities caused by the French Revolution and to recoup his loss of business in the West Indies. When the United States became concerned about a possible war with France, Perkins was appointed a colonel in the Massachusetts State militia in 1799. Thereafter, he used the name Colonel Perkins in order to differentiate himself from Thomas Perkins, who was born one year before Thomas Handasyd Perkins and was involved in many of the same pursuits, including shipping.

In 1807, in an attempt to prevent American involvement in the Napoleonic Wars, the Embargo Act closed U.S. ports to all exports and restricted imports from Great Britain. New England ship owners and merchants were irate, and a group of Federalists, including Perkins, proposed secession from the United States. Fortunately, the Perkins firm had five vessels at sea at this time, so the company was able to trade. The Embargo Act proved unpopular and unenforceable and was repealed in 1808. When the embargo ceased, Perkins's business boomed, and he made his fortune trading with China. As the owner of a fleet of ships, he traded in silk, spices, tea, and opium. When James died in 1822, it was estimated that each brother's share in the partnership was far in excess of $133,000. Perkins formed a new business in 1823, J. & T. H. Perkins and Sons. He never retired, staying involved with his investments to provide "continuance and support."

At home in Boston, his wealth enabled him to invest in a number of businesses, including a theater; a luxury hotel at Nahant, Massachusetts; an ironworks in Vermont; and textile mills in Lowell, Massachusetts. He invested in the new toll bridge from Boston to Cambridge, and he also financed and helped organize the Granite Railway, one of the first

Perkins School for the Blind

The Perkins School for the Blind was established in Boston in 1829—the first school for the blind in the United States. John Fisher of Beverly, Massachusetts, a medical student, traveled to Paris, where he visited the world's first school for the blind in the early 1820's. Realizing the need for such a school in America, he and some friends, including Thomas H. Perkins, who was himself visually impaired, applied for a charter from the commonwealth of Massachusetts to found a school devoted to the education of blind students.

The school opened in 1832 under the directorship of Samuel Gridley Howe, who used rooms in his father's Boston home on Pleasant Street for classes. A year later, the school moved to a larger home on Pearl Street, owned by Perkins, the institute's vice president and trustee. Within six years, enrollment had grown to sixty-five students. In 1839, Perkins sold his mansion and donated the proceeds to the school, enabling the institution to purchase a larger building in South Boston. Around this time, the school was named the Perkins Institute for the Blind to acknowledge Perkins's generosity to the school; it would later be renamed the Perkins School for the Blind. In 1885, property was purchased to build a kindergarten in the Jamaica Plain neighborhood of Boston. By 1912, the school had grown in size and enrollment, necessitating a final relocation to a thirty-eight-acre site on the Charles River in Watertown, Massachusetts.

In 1842, author Charles Dickens visited the school during his lecture tour of America. Dickens was so impressed with Howe's teaching of the deaf-blind student Laura Bridgman that he devoted a section of his book *American Notes* (1842) to the school. This book was read by Kate Adams Keller, mother of a deaf-blind daughter named Helen. Kate requested help from the Perkins School, and director Michael Anagnos arranged for one of the school's graduates, Anne Sullivan, to teach Helen at the Kellers' home in Tuscumbia, Alabama. In May, 1888, Sullivan brought Helen to the Perkins school, where Helen was warmly received by the students.

Over the years, the school has developed numerous resources for its students. The Samuel P. Hayes Research Library, opened in 1880, offers a vast collection of books and materials on blindness and deaf-blindness. In 1931, the school established the Braille and Talking Book Library for adults and children, who can order materials through the mail. After years of experimentation, in 1951, David Abraham, a woodworking teacher at the school, produced the Perkins Brailler, a Braille-writing machine. In 1982, the school changed its charter to accept students with disabilities other than blindness. Nine years later, the facility launched an outreach program for seniors who were losing or who had already lost their eyesight. Perkins provides services throughout the United States and in fifty other countries.

commercial railroads in the United States, which began operations in 1826, with Perkins as its president. The railway moved freight, particularly stone from granite quarries in Quincy, Massachusetts, to the Neponset River. Some of this granite was used to construct the Bunker Hill Monument, one of Perkins's favorite projects, and the Tremont House hotel in Boston.

Perkins's interests extended beyond business. He was part of a group of wealthy Bostonians who supported the development of Massachusetts General Hospital, contributing $5,000 and serving as chairman of the board of trustees. Like other members of the Boston elite, he supported the Boston Athenaeum, contributing $40,000 to this private library and serving as its president. Perkins, who had developed an interest in art and supported American artists, was also involved in establishing an art gallery in Boston. Like other wealthy men of the time, Perkins constructed a second home in the country. On a sixty-one-acre plot in nearby Brookline, he built a mansion and planted extensive gardens. This home and his Boston residence were filled with works of art and furnishings collected on his frequent trips to Europe. An ardent Federalist, Perkins was involved in Massachusetts politics, serving eleven terms in the Massachusetts State legislature and senate.

Perkins died at his Boston home on January 11, 1854. Out of respect, the state legislature adjourned, allowing members to attend his funeral, where a choir of blind children from the Perkins Institute for the Blind sang. Perkins was buried in Mount Auburn Cemetery. His estate was valued at $1.6 million.

Legacy

Thomas H. Perkins left a legacy of hard work and civic commitment. The fortune he made with various partners, his brother, and other relatives benefited many people. Perkins was instrumental in founding the first school for the blind in the United States. He aided in the development of Boston by investing in an art gallery and hospital for the city. He also patronized American artists. As a businessman, he founded new companies that spurred the Boston-area economy, and he helped open up America's lucrative China trade.

—*Marcia B. Dinneen*

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See also: John Jacob Astor; Moses Brown; Paul Cuffe; Elias Hasket Derby; Stephen Girard; John Hancock; John McDonogh; Robert Morris.

H. Ross Perot

American computer magnate and politician

Perot was among the first entrepreneurs to realize the potential of information technology, and he pioneered information systems outsourcing, staffing, and consulting. His presidential campaigns during the 1990's had a significant, though in many respects unforeseen, impact on American politics.

Born: June 27, 1930; Texarkana, Texas
Also known as: Henry Ross Perot; Henry Ray Perot (birth name)
Source of wealth: Computer industry
Bequeathal of wealth: Spouse; children

Early Life

Henry Ross Perot (peh-ROH) was born Henry Ray Perot in Texarkana, Texas, in 1930, the son of Gabriel Ross Perot and Lula Mae Ray Perot, and he grew up in a moderately prosperous middle-class environment. The Perots were of French extraction. Gabriel had moved to Texas from Louisiana and established himself in Texarkana as a dealer of horses and cotton. Perot had two siblings, a sister, Elizabeth, and a brother, Gabriel Ross, Jr. When his brother, to whom he had become very strongly attached, died at the age of three, Perot legally changed his middle name from Ray to Ross and preferred thereafter to be addressed as "Ross."

Perot was attending Texarkana Junior College when in 1949 he received a long-sought-after acceptance into the U.S. Naval Academy at Annapolis, Maryland. Graduating in 1953, he served his tour of duty in the Navy until 1957. In 1956, he married a schoolteacher, Margot Birmingham, and they had one son, Henry Ross, Jr., and four daughters, Nancy, Suzanne, Carolyn, and Katherine.

First Ventures

After his service discharge in 1957, Perot was employed by International Business Machines (IBM) as a salesman, entering on the ground floor, as it were, of the new technology systems industry. He proved to be an exceptionally effective sales representative, but he grew restive. On June 27, 1962, having assiduously set aside money and parlaying some capital from his wife's earnings, he incorporated his own company, Electronic Data Systems (EDS), headquartering his firm in Dallas, Texas. EDS began as a one-person consulting operation, with Perot basically competing to secure and deliver information systems and installation contracts to both private- and public-sector clients. Liberally employing the folksy manner and dogged persistence that would characterize him throughout his career, Perot was able to land some significant contracts, notably with governmental agencies, and to expand his operations rapidly. By 1968, when EDS was first listed on the stock exchange, the firm mushroomed into a multimillion-dollar concern, with assets of more than $1 billion.

Mature Wealth

Perot gained favorable national attention outside the business world in 1979, when he bankrolled and participated in a successful rescue mission to release two of his employees from incarceration by the revolutionary regime in Iran. His rescue operation was perceived more favorably than the bungled attempts by the U.S. government to free Americans held hostage at the American embassy in Tehran, and his employees' release was recounted in a Ken Follett novel and a television series, both entitled *On Wings of Eagles*.

Perot's sale of EDS to General Motors (GM) in 1984 for $2.5 billion shook the financial world. As part of the transaction, Perot retained a large number of shares of GM's stock and a place on the company's board of directors, making him well placed to differ quite visibly and aggressively with GM chairman Roger Smith over the direction of the company and the quality of its automotive products. After two years of acrimony and conflict between Perot and Smith, the Texan sold his remaining shares of GM stock and seemed to be retiring from involvement in the corporate world.

Perot's retirement, however, was short-lived. Even though his severance contract with GM precluded him from competing with this firm for three years, he formed a new information technology business, Perot Systems, on June 1, 1988. Although legal wrangling with GM hampered operations for a year, Perot Systems soon became a viable competitor for EDS.

In the late 1980's and early 1990's, Perot grew more outspoken on national issues, stridently criticizing the George H. W. Bush administration over the return of Vietnam prisoners of war and people who were missing in action, the trade and budget deficits, and the Gulf War (1990-1991). Perot eventually opted to run for president in 1992, dropping broad hints about his intentions and encouraging the formation of a grassroots political effort to place his name on each state ballot. These individual statewide movements soon came together as a citizen action organization, United We Stand America. During his campaign, Perot emphasized his belief that the two major parties had become bankrupt in terms of creating innovative policies and creative solutions to the nation's problems. He illustrated through liberal use of charts, graphs, and visuals in infomercials what he described as a practical, commonsense approach to herald a new change of direction, which would include a fuels and gasoline tax, drastic reduction of the budget deficit, and strict immigration control. Surprising all the pundits, Perot's appeal was so strong and his antiestablishment credentials so well accepted at the beginning of his campaign that by July, 1992, he was outpolling both Republican incumbent Bush and Democratic challenger Bill Clinton by 39 percent to a respective 31 percent and 25 percent.

However, on July 16, 1992, Perot abruptly quit the presidential race, citing his belief that political opponents would manufacture naked, suggestive photographs of his daughter Carolyn and possibly ruin her upcoming marriage unless he dropped out of the campaign, an explanation that was greeted by some in the media with skepticism and that left many of his followers angered, feeling that they had been abandoned. Although the Perot campaign organization continued to function and Perot himself reentered the race in September with former naval vice admiral James Stockdale as his running mate for vice president, Perot had lost a measure of credibility and never shook off a reputation as an unreliable eccentric. He did participate in televised presidential debates, but he finished the race in third place with slightly less than 19 percent of the popular vote. Forming the Reform Party of the United States in 1995, he attempted another run for the White House in 1996 under the party's aegis, but he finished the race with a disappointing 8.4 percent of the popular vote.

With the party apparatus slipping out of his control and taking on a life of its own, Perot left the political arena to focus on Perot Systems, returning in 2000 as the company's chair, the position he had vacated in 1992. In 2004, he turned over the firm's chairmanship to his son, Ross, Jr., but retained the title of chair emeritus. On November 3, 2009, Dell, Inc., acquired Perot Systems for

H. Ross Perot earned his wealth in the information technology business. (AP/Wide World Photos)

The Reform Party

The Reform Party was founded by H. Ross Perot in 1995 as a political vehicle to enable voters who had supported his independent presidential candidacy in 1992 to remain a force in American politics, beginning with the 1996 presidential race. The party originated in Perot's United We Stand America, the numerous grassroots organizations that backed him in 1992. The new political party was officially organized in every state as the Reform Party of the United States of America.

Perot himself initially indicated that he did not wish to accept the party's 1996 presidential nomination, and Richard Lamm, the Democrat governor of Colorado from 1975 to 1987, entered the race. Perot, however, reversed his earlier stand and returned to secure the party's presidential nomination for himself, running with vice presidential candidate Pat Choate, an author and economist. Perot's decision engendered the first intraparty split. Supporters of Lamm argued that Perot had "set up" their candidate to run, and lose, in order to maintain a facade of democracy, and then "strong-armed" himself into the nomination, demonstrating Perot's penchant for personal control over what he viewed as an organization of his creation. In 1997, the dissidents coalesced into the rival American Reform Party.

The Perot-Choate ticket, despite being excluded from televised presidential debates, garnered 8,085,294 popular votes (8.4 percent of the total), which was enough to qualify for federal electoral funding. The party's most notable success occurred on November 3, 1998, when Jesse Ventura, the colorful former professional wrestler and the mayor of Brooklyn Park, Minnesota, narrowly defeated Republican candidate Norm Coleman by 773,713 to 717,350 votes in the race for the governorship of Minnesota. As state governor from 1999 to 2003, Ventura remains the highest-ranking official elected as a Reform Party candidate. Perot, however, was never enthusiastic about Ventura.

Perot lowered his political profile before the 2000 presidential elections and would subsequently abandon politics. In 2000, the Reform Party split between moderate liberals, who backed the candidacy of physicist John Hagelin, and more conservative party members, who supported the right-wing insurgency led by Pat Buchanan. Buchanan's defection from the Republican Party in 1999 and his rapid rise within the Reform Party aroused Ventura's opposition, resulting in Ventura's 2000 decision to abandon the Reform Party in favor of the Independence Party of Minnesota. Hagelin and Buchanan partisans held separate nominating conventions, and the Federal Election Commission ultimately ruled in favor of Buchanan and his vice presidential running mate, Ezola Foster, as the official Reform Party candidates. The Buchanan ticket failed disastrously, obtaining only 449,895 votes.

Buchanan returned to the Republican fold in 2002, and the Reform Party endorsed the preexisting independent campaign of consumer activist Ralph Nader in the 2004 presidential race. Nader, running with Peter Miguel Camejo, polled only 465,650 votes. Thereafter, the Reform Party's history was riddled with internal dissension and declining support. In 2008, the party's presidential ticket of Ted Weill and Frank McEnulty appeared only on the Mississippi ballot and captured a scant 481 votes.

$3.9 billion, and Perot's firm became a fully owned subsidiary of Dell known as Dell Perot Systems. Perot's net worth, including real estate development holdings, is estimated to be between $5 and $6 billion.

Legacy

While there is general agreement on Perot's business acumen, his stature as an aggressive and competitive innovator in the technology field, and his role in showing the way into a rapidly expanding field, his political legacy is more hotly debated. Controversy and speculation remain over what "might have been" had he not dropped out of the presidential race in July, 1992, and about Perot's controlling and sometimes irascible personality, which was highly effective in the corporate boardroom but attained less fruitful results in the political arena. Both major parties, however, were forced to take note of the comparative success of Perot's independent candidacy, and former Speaker of the House Newt Gingrich and other Republicans particularly capitalized on some of Perot's ideas in the "Republican Revolution of 1994."

—Raymond Pierre Hylton

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See also: Paul Allen; Steven Ballmer; Jeff Bezos; Sergey Brin; Mark Cuban; Michael Dell; Larry Ellison; Bill Gates; Steve Jobs; Gordon E. Moore; David Packard.

FILIPPO DI PERUZZI

Italian banker and trader

Peruzzi and his family founded one of the great banking and trading companies of the medieval era, which accumulated enormous assets and created previously unknown investment opportunities. His agile political maneuvering and sound acquisition policies enabled his company to expand beyond the borders of thirteenth century Florence into other parts of Europe.

Born: c. 1240; Florence (now in Italy)
Died: c. 1303; possibly Florence
Also known as: Filippo di Amideo Peruzzi
Sources of wealth: Banking; trade; real estate
Bequeathal of wealth: Relatives

EARLY LIFE

Filippo di Amideo Peruzzi, better known as Filippo di Peruzzi (fee-LEE-poh dee peh-REWT-see), was born in Florence around 1240. As a young man he fought in the Battle of Montaperti, which was a dispute between two Florentine political factions, the Guelphs and the Ghibellines. Peruzzi initially sided with the Ghibellines, who were crushed in two conflicts in the late 1260's. On the heel of these defeats, Peruzzi went into exile, perhaps earning a living as a mercenary. By 1274, he apparently was back in Florence, having registered a company under the Peruzzi name there.

FIRST VENTURES

The precise path to wealth that Peruzzi pursued is unclear from the historical record. It was not uncommon in thirteenth and fourteenth century Florence for merchant-class and noble families to intermarry in order to strengthen their alliances and combine their assets, and marriage was probably a factor in Peruzzi's acquisition of wealth. In addition, there are accounting records indicating that members of the Peruzzi family were involved with French banks in the 1240's, so the family apparently had established international connections around the time of Filippo di Peruzzi's birth. Peruzzi and his family were members of the Arte di Calimala, a guild or union of merchants and cloth finishers. The Peruzzis also belonged to the Arte del Cambio, the guild of bankers and moneylenders. With this background and his own business sense, Peruzzi was well placed to move his company forward.

MATURE WEALTH

By 1300, Peruzzi, along with his brother, sons, and nephews, had established a company structure that endured until its bankruptcy in 1343. Capital assets in 1300 amounted to 124,000 lire or 85,000 gold florins. Partners from outside the family owned about 40 percent of the firm's shares, but a Peruzzi family member was always in control of the company. The company attracted powerful investors by guaranteeing a fixed annual rate of return of 8 percent. Most of Peruzzi's wealth was funneled back into his company, which was controlled by his sons, nephews, and grandsons. Peruzzi also purchased real estate in the Florentine *contado*, or countryside. This land was passed on to his progeny and increased in value with each passing year.

The Peruzzi Company engaged in international trade, not only moving luxury goods, such as finished cloth, a Florentine specialty, but also dealing in large-scale quantities of grain. In addition, the firm lent money, with interest, to kings, popes, nobility, and businesses all over Europe. Peruzzi oversaw offices in Naples, Paris, and London, as well as smaller branches throughout Italy, Sicily, and Asia Minor.

One key to Peruzzi's success was his political involvement. In 1284, he was elected a prior (or councilman) in Florence. In 1294, he became a captain of Orsanmichele, an important religious confraternity that distributed alms to the poor. Sometime between 1292 and his death around 1303, he was consecrated as a knight.

Legacy

Peruzzi displayed an array of aptitudes in developing one of the largest multinational firms of the medieval era. His company's organization was sophisticated, engaging in trade and moneylending on an unprecedented scale. He succeeded in combining and expanding business endeavors that previously were confined to individual niches. Because he was politically savvy and socially astute, he elevated his family above the common traders and into the *popolo grasso*, the wealthy merchant class.

It appears that Peruzzi paid whatever was necessary to maintain his prominent status in Florentine society. He commissioned the artist Giotto to decorate the Peruzzi Chapel. He paid the substantial expenses required to participate in his own company of knights. Although there are only scant details about his life and business, Peruzzi obviously thrived in the ever-shifting sociopolitical climate of medieval Florence. He exemplifies the successful businessperson of any era—politically connected, socially acceptable, internationally renowned, and, of course, rich.

—Janet M. Ball

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See also: Ridolfo de' Bardi; Orlando Bonsignori; Francesco Datini; Giovanni de' Medici; Jacopo de' Pazzi; Filippo Strozzi.

Joseph Pew

American engineer and industrialist

Pew was an innovative engineer who made significant contributions to the oil-drilling business. He used his wealth to charter the Pew Charitable Trusts, an organization of seven charitable foundations.

Born: November 12, 1886; Pittsburgh, Pennsylvania
Died: April 9, 1963; Philadelphia, Pennsylvania
Also known as: Joseph Newton Pew, Jr.; J. N. Pew, Jr.
Sources of wealth: Inheritance; oil
Bequeathal of wealth: Children; charity

Early Life

Joseph Newton Pew, Jr., was born to privilege, the youngest son of Joseph N. Pew, Sr., one of the founders of Sun Oil. The younger Pew attended a prestigious private academy in Pittsburgh, Pennsylvania, and then was graduated with distinction from Cornell University in 1908 with a degree in mechanical engineering. His older brother, J. Howard Pew, had the practical business savvy and astute financial sensibility that made him the logical choice to take over Sun Oil after Joseph, Sr., died in 1912. Joseph, Jr., was made vice president of the company.

Athletic and outgoing, Joseph, Jr., demonstrated a fiercely independent nature and a reckless love of adventure. Between his graduation and the outbreak of World War I, he learned the oil business firsthand, working in the dangerous wildcat oil fields of the Midwest and in

South America, where Sun Oil was pursuing new deposits.

First Ventures

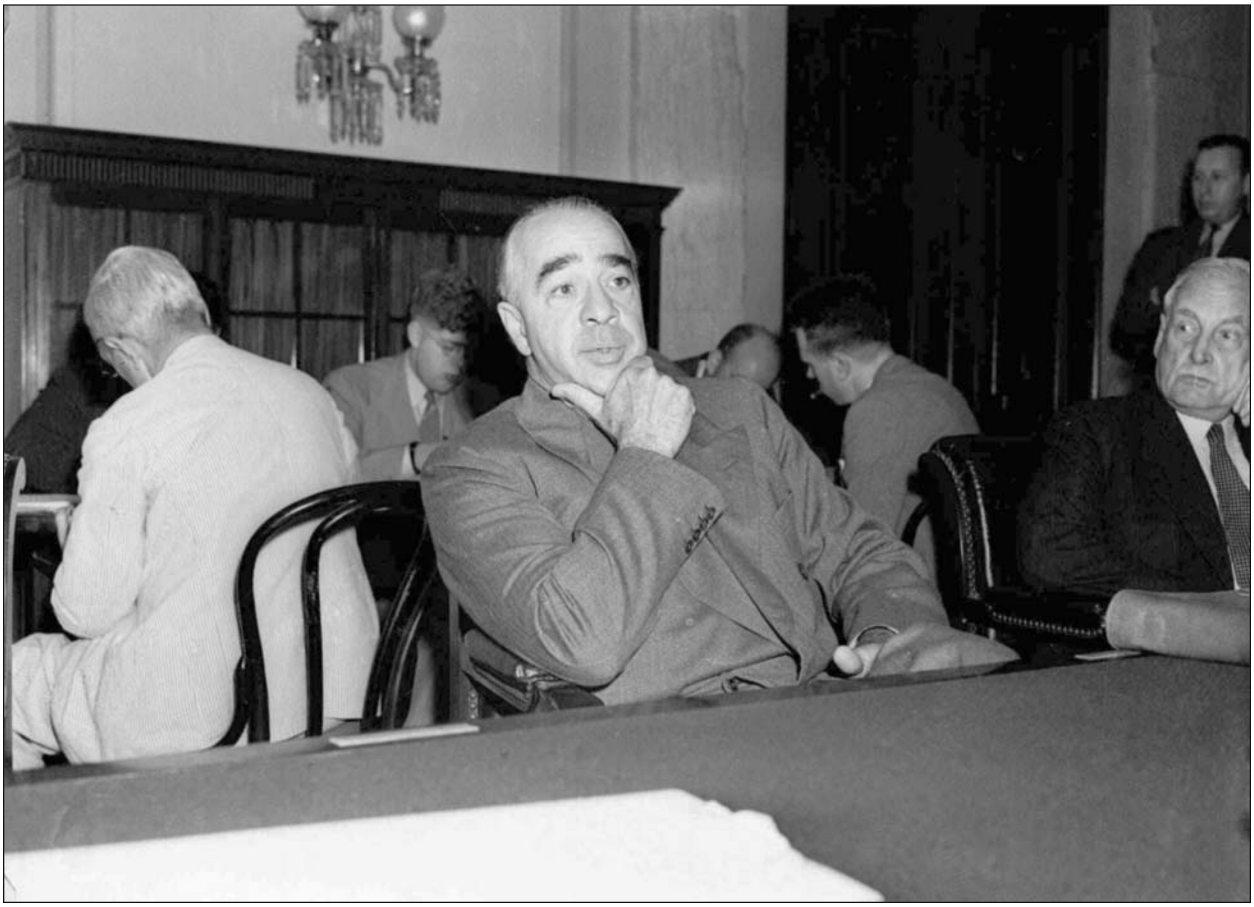
As vice president (a position he would maintain until his brother's retirement in 1947, when he became president), Pew quickly became known as a visionary, a man with ideas, intrigued by engineering's no-nonsense approach to defining problems and devising innovative solutions.

Pew is credited with designing a kind of gyroscope with a timer and a camera that oil diggers used to locate prospective oil reserves. This device enabled the oil-drilling machines to pivot in response to the changing conditions of a deep dig, thus preventing the drills from cracking or from drilling a crooked hole in the well. Pew also devised the first formulas for custom-blending gasoline, creating a lead-free gasoline called Blue Sunoco. In addition, Pew proposed what would become a mainframe pipeline connecting the Sun Oil refineries at Marcus Hook, in the southeastern corner of Philadelphia near the New Jersey border, with the Great Lakes.

Perhaps his greatest achievement as vice president of Sun Oil was his development of the Sun Shipbuilding & Dry Dock Company in southeastern Philadelphia. Between the two world wars and under Pew's direction, this facility created a massive armada of cutting-edge oil tankers to serve Sun Oil's burgeoning global interests and to protect those interests during the war. Sun Oil's shipyard eventually became the largest and most successful such enterprise in the United States, and the company could boast that it never laid off a single employee during the Great Depression.

Mature Wealth

His wealth secure, Pew began to take an interest in national politics. With the emergence of President Franklin D. Roosevelt and the New Deal economic program in the early 1930's, Pew, who initially supported the economic



Joseph Pew testifies before a congressional committee in 1940. (AP/Wide World Photos)

The Pew Charitable Trusts

The seven trusts that are collectively known as the Pew Charitable Trusts evolved from the Pew Memorial Foundation, which Sun Oil executive Joseph Pew and his siblings established in 1948. The seven individual trusts were established between 1948 and 1979, and they provide significant grant commitments in programs dealing with public policy, biomedical research, environmental advocacy, culture and the arts, religion and culture, education, and economics. Among its activities, the organization has established the Pew Research Center, a conservative think tank in Washington, D.C.; the Pew Environmental Group; and a generous program of scholarships for promising artists and writers. The organization has also worked to protect First Amendment rights for proponents of conservative Christianity, expand the accessibility of early education programs for children of all economic classes, and encourage entrepreneurship by financing start-up businesses and first-time business owners.

In 2004, the trusts registered as a nonprofit public charity, which provided directors with considerably more latitude in raising funds. Increased funding enabled the organization to expand its lobbying of state and federal governments in order to inform lawmakers about the trusts' programs and activities. The Pew Charitable Trusts have grown to become one of the largest private philanthropies in the nation, with assets estimated at close to $5 billion and an annual grant commitment of more than $250 million. The Pew family still maintains a major presence on the organization's board of directors.

The organization views its mission as tackling significant problems head on. To this end, it has funded programs that promote ocean conservation, investigate options for managing overcrowded state prisons, and evaluate access to preschool programs among impoverished inner-city children. The trusts use their considerable financial resources to partner with public and private organizations that share the trusts' commitment to exploring innovative solutions to social problems. In financing promising, cutting-edge research or sponsoring a collection of useful research data, the trusts believe their impact should be immediate and practical.

This philosophy is exemplified by the work of the Pew Research Center, a kind of "fact tank" that gathers data through polling. The center's questionnaires solicit responses on a variety of issues, including public attitudes about the press, politicians, and controversial issues. In an era when polling is routinely spin-doctored and can be notoriously unreliable, the Pew Research Center has a reputation for impartiality and rigorous scientific methodology. The center's statistics have been used by policy makers in both major American political parties, as well as by journalists and academics, thus maintaining the trusts' mission to maintain an informed public in order to address significant societal issues.

recovery initiatives, later raised significant and heated objections to the direction the country was taking. He was especially concerned about the federal government's attempts to fix oil prices and to regulate the oil industry by curtailing production. He perceived the Democratic Party's agenda as a massive attack on free enterprise, self-reliance, and, with his signature penchant for grand-scale thinking, the entire American way of life. After the defeat of Republican candidate Alf Landon in the 1936 presidential election and Roosevelt's ill-conceived attempt to pack the U.S. Supreme Court and passionate support of unions (Sun Oil never unionized), Pew began to direct his attention beyond the ward politics of Philadelphia. By the end of the decade, Pew was recognized as the undisputed boss of the powerful Pennsylvania Republican Party, and he was on the cover of *Time* magazine in May, 1940. He pumped more then $2 million into conservative publications and candidates and engineered the election of Arthur James as Pennsylvania's governor in 1939.

Despite Pew's considerable presence and formidable wealth, the pivotal moment in his campaign to bring down the Roosevelt administration—the 1940 Republican Convention in Philadelphia—did not go the way he had planned. Pew favored U.S. Senator Robert Taft as the party's presidential candidate, but the convention nominated a dark horse, the Wall Street lawyer Wendell Willkie, who would lose to Roosevelt. With the advent of war, Pew turned his attention to Sun Oil, but he never lost his vigor for conservative causes and never reconciled with the more liberal wing of the Republican Party.

In 1947, the year Pew became chairman of the board of Sun Oil, Republicans realized that with the death of Roosevelt and the unpopularity of President Harry S. Truman, it was time for the party to reorganize. Pew decided to organize a charitable foundation that would involve itself specifically in directing and articulating conservative causes in order to contribute to the public welfare. He saw this foundation's mission as encouraging individual growth and improving the quality of life, as well as protecting religious freedom, nurturing democratic institutions, and developing programs to help the needy without relying on government assistance. It was an ambitious undertaking. However, with the confidence of a career engineer Pew believed that there was no significant problem—social, economic, cultural, or religious—that could not be addressed and, in turn, resolved.

In 1948, with the support and backing of his brother, J. Howard, and his sisters Mary Ethel Pew and Mabel Pew Myrin, Pew established the Pew Memorial Foundation, headquartered in Philadelphia. The organization initially funded conservative causes, including the John Birch Society and other anticommunist organizations. However, it also financed entrepreneurial ventures; investments in higher education, including a groundbreaking program designed to benefit African American colleges; the Red Cross; and experimental cancer research. In addition, the foundation provided funding to evangelical religious projects, including the Billy Graham Evangelical Association, and to political organizations that advocated the benefits of free enterprise and less government intrusion.

In addition to running Sun Oil while the company was expanding its international drilling, Pew directed the foundation through its first decade, during which it evolved from its specifically conservative mission to embrace a wider range of public endeavors. This evolution mirrored the change in Pew's personal sensibility. His stinging, very public defeat to maneuver himself into the national political scene and the nearly two decades of liberal Democratic direction convinced him that the United States was imperiled. However, Pew realized that he could not control political events but could use his wealth to reclaim individuals' dignity, sense of self-reliance, and initiative—personality traits which were critical not only to the Republican agenda but also to the American character. Under his guidance, the foundation flourished. At his death in 1963, it was hailed as one of the most significant philanthropic organizations in the country.

LEGACY

Joseph Pew understood the value of his family's fortune as a formidable resource to address community problems, and this sense of civic duty became Pew's defining legacy. In funding a wide range of research endeavors in medicine and science, and in gathering and collating critical data on economics, law and order, and politics, the trusts that Pew established have become a vital, integral element of a dynamic philosophy that views human enterprise as best dedicated to problem solving and civic duty as the major responsibility of the wealthy. Unlike other philanthropic foundations dedicated to a relatively narrow range of concerns, the Pew Charitable Trusts engage in a wide variety of activities. More important, the trusts promote the resilient spirit of individuals, a passion for investigation, and individual intuition and imagination as the highest expressions of the American endeavor—principles that were the cornerstone of Pew's philosophy.

—Joseph Dewey

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See also: Hugh Roy Cullen; Edward L. Doheny; J. Paul Getty; Calouste Gulbenkian; Armand Hammer; H. L. Hunt; Clint Murchison, Sr.; Sid W. Richardson; John D. Rockefeller; William Rockefeller; Harry F. Sinclair.

Henry Phipps

American steel magnate

Phipps owned the second-largest share of Carnegie Steel and ran the company with his partner and friend, Andrew Carnegie, helping to make the firm the world's premier steelmaker. Phipps also created a groundbreaking trust fund in order to ensure his family's financial security.

Born: September 27, 1839; Pittsburgh, Pennsylvania
Died: September 22, 1930; Great Neck, Long Island, New York
Also known as: Henry Phipps, Jr.
Sources of wealth: Steel; real estate
Bequeathal of wealth: Children; charity; medical institution

Early Life

Henry Phipps (fihps), Jr., was the son of a Scottish cobbler who moved to Philadelphia after immigrating to the United States. His father's business was not successful, so the family left Philadelphia to settle in Pittsburgh, where his father hoped to make a fresh start. Henry Phipps, Jr., was born in Pittsburgh, where the family was no better off financially than they had been in Philadelphia and continued to live in poverty. However, young Henry met another poor neighborhood boy, his older brother's friend Andrew Carnegie, which formed the foundation for Phipps's successful and lucrative career in the steel business.

First Ventures

Phipps began working professionally at the age of sixteen, taking a job as a store clerk in 1855. From 1856 to 1861 he worked as an office boy and bookkeeper, learning the fundamentals of business. In 1861, Phipps posted an advertisement in a local newspaper that cost him a quarter, which he borrowed from his brother. The advertisement simply said "a willing boy wishes work," and it helped land Phipps a position as an office boy at Dilworth & Bidwell, where he progressed through the ranks until he became a partner running one of the firm's smaller offices. Tom Miller, a friend of Carnegie and a pioneer in steelmaking processes, took notice of Phipps and sponsored him in a partnership with Andrew Kloman, a boyhood friend of Carnegie's brother and a genius inventor who helped develop the steel industry. With Kloman and Miller, Phipps opened a small iron mill.

Mature Wealth

Phipps, Kloman, and Miller continued together for several years, gradually growing their small mill into a productive enterprise. However, in 1864, Kloman and Phipps had a falling out with Miller and pushed him out of the business. Carnegie sided with Miller and attempted to bring everyone back together in a new and larger ironworks, Cyclops Mills, but Miller asked to be bought out. Carnegie, Phipps, Kloman, and Tom Carnegie (Andrew's brother) joined together to create Union Mills, which was later to become Carnegie Steel.

Phipps took an increasingly important role in Andrew Carnegie's enterprises. Working together with other relatives and friends, he and Carnegie built up the small Cyclops Mills, buying land and producing a larger volume of iron products at a greater profit than any other producer in the country. Phipps's background in office management and bookkeeping, as well as his financial acumen, made him the perfect partner for Carnegie, and Phipps eventually moved from running the commercial end of the business to running the mills themselves.

In 1870, Carnegie built his first blast furnace, the Lucy Furnace, which produced more tons per day than any other blast furnace at the time. As Carnegie became more important, he began traveling to England and other European countries to conduct business with foreign inventors and mill owners, feeling secure that he could leave his company in the hands of his brother Thomas and Phipps. Ultimately, the care and maintenance of the Lucy Furnace was handed over to Phipps, who hired a dedicated manager and a chemist to run the furnace as efficiently as possible, replacing the unskilled laborers who traditionally performed this work. In 1872, Phipps became Carnegie's full partner in Carnegie Steel, which used Sir Henry Bessemer's process for turning pig iron into usable steel.

Carnegie Steel continued to be successful, and Phipps, who owned more shares of the firm than anyone other than Carnegie himself, began to reap great financial rewards. Phipps's personal wealth grew so large that he was able to begin his philanthropic work by building the Phipps Conservatory and Botanical Gardens for the city of Philadelphia in 1893.

In 1901, Carnegie Steel was sold to J. P. Morgan and became U.S. Steel. Phipps's share of the sale, as the firm's second largest shareholder, was $50 million. The buyout money was enough to allow Phipps to move to

New York, retire permanently from business, and devote himself to developing real estate holdings and to philanthropy.

Phipps purchased large tracts of waterfront land in New Jersey, Florida, and Long Island, New York. He was one of the first investors to recognize the investment potential of Florida's coastline. By the mid-1920's, he owned one-third of Palm Beach, Florida; much of the coastline acreage between Palm Beach and Fort Lauderdale; and large parcels of land in Miami and in other places in Florida. He also purchased a large barrier island off the coast of New Jersey in 1926, keeping it free from development.

The recipients of his philanthropy included the Institute for the Study, Treatment, and Prevention of Tuberculosis in Philadelphia. This organization sought to discover cures for the disease and offered in-house treatment to victims of tuberculosis. Another medical facility that benefited from Phipps's charity was the Henry Phipps Psychiatric Service, which opened in 1913 as part of Johns Hopkins Medical School and Hospital in Baltimore, Maryland. The endowment for the psychiatric service was announced in 1908, after Phipps asked William Henry Welch, dean of the medical faculty, if there was a goal that Phipps could help the hospital achieve. As a result of their conversation, Phipps endowed the first permanent facility devoted to the care of the mentally ill that was housed as part of an acute-care hospital. Phipps made an additional financial contribution in 1923 that ensured the continued success of the facility.

Phipps was also instrumental in the creation of low-cost urban housing, a cause he supported partly as a result of his continued interest in eradicating tuberculosis. The Phipps Houses, a low-income housing complex for the working poor, opened in New York City in 1905. Phipps spent $1 million to construct the homes, but he insisted that they earn a profit of at least 4 percent. which he believed would show other investors that using their money for philanthropy could still enable them to generate profits. However, the dividends earned by the Phipps Houses were reinvested into the organization, and Phipps did not use these profits for any other purpose. In 1906, Phipps built four low-cost apartment buildings that were primarily marketed to African American tenants who could not obtain adequate, reasonably priced housing because of racial discrimination.

Phipps died at his Great Neck estate, Bonnie Brink, just five days before his ninety-first birthday, and he was buried in Westbury, Long Island.

The Bessemer Trust

In 1907, Henry Phipps established the Bessemer Trust, a conservative, private wealth management firm, to handle the proceeds of the sale of his shares of Carnegie Steel to J. P. Morgan. The company was named after Sir Henry Bessemer, whose steel-refining process was highly admired by Phipps; Bessemer's new methods for turning pig iron into steel enabled Carnegie Steel to outstrip its competitors. Phipps created the trust with the intentions of maintaining his family's wealth for succeeding generations and preserving and growing the wealth to ensure the family's financial well-being in perpetuity.

In 1911, Phipps sent each of his five children a letter explaining the structure and goals of the trust, the first entity of its kind. In the letter, he expressed his hopes that the family would never live beyond its means or borrow from the trust. He told them never to sell strangers any of the stocks or bonds that were held by family members; in the event that a sale was desired or necessary, they were to offer these items to other family members. The trust was to be governed by majority rule and it sought to increase the growth of the family's wealth and to continue to fund good works.

As part of the trust, Phipps established the Bessemer Securities Corporation in 1911 to reinvest the proceeds from his stock sale. From that year until 1975, Bessemer Venture Partners, which provides venture capital to organizations and individuals supported by the Phipps family, operated as a division of the securities company. In 1974, the trust opened its doors to clients who were not members of the Phipps family, requiring an initial investment of $10 million per person. That same year, the trust also created its own national bank in New York City to handle its assets. In 1975, Bessemer Venture Partners became an independent partnership, with the securities corporation as its primary limited partner.

By 2009, the trust had a membership of two thousand families, handled more than $50 billion, and maintained offices in the United States, the Cayman Islands, and Europe. The Phipps family, more than three hundred members strong, continued to control 100 percent of the voting shares. The Bessemer Trust remains one of the highest-ranked wealth management and investment advisory funds in the world, and it still operates based on Henry Phipps's principles of conservative growth and low-risk management.

Legacy

Henry Phipps combined managerial talent, financial acumen, and a strong work ethic to become part of Andrew Carnegie's empire and reaped lifelong benefits from that relationship. More than a passion for iron and steel linked the two men; they also shared a vision that the rich are responsible to their communities and to the common good. Phipps believed it was his duty to relieve suffering and promote social well-being. He even went so far as to incur the anger of local religious leaders, when in 1903 he insisted that the Phipps Conservatory be open on Sundays to allow working people an opportunity to visit. He gave large parcels of land to the states of Pennsylvania, New Jersey, and Florida, requiring that this property be maintained for public recreation. Island Beach, purchased by Phipps in 1926, was donated to New Jersey by his descendants in 1953; it is the last undeveloped and unspoiled barrier island off the coast of New Jersey and is now a nature reserve.

—*Leslie Neilan*

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See also: Andrew Carnegie; Henry Clay Frick; Alfred Krupp; Bertha Krupp; Andrew Mellon; J. P. Morgan; Charles M. Schwab; Joséphine de Wendel.

Pablo Picasso

Spanish artist

Picasso was a prolific artist whose paintings, drawings, sculptures, and other works commanded increasingly higher prices, enabling him to become the richest artist of all time.

Born: October 25, 1881; Málaga, Spain
Died: April 8, 1973; Mougins, France
Also known as: Pablo Ruiz y Picasso (birth name)
Source of wealth: Artwork
Bequeathal of wealth: Spouse; children

Early Life

Pablo Ruiz y Picasso, better known as Pablo Picasso (PAB-loh pee-KAH-soh), was born in 1881. His father was an art teacher who later became the curator of a museum. Picasso watched his father paint, and at an early age he started to draw. In 1892, he began formal art classes and made numerous drawings of animals, bullfights, people, and other subjects. He attended the School of Fine Arts in Barcelona in 1895, and the following year enrolled in a prestigious art school in Madrid. Picasso, however, became bored with the standard assignments, such as making drawings of plaster casts.

First Ventures

Picasso made little money on the works he painted from 1895 to 1905. He often had little to eat, and he spent most of his money on art supplies. Many of his paintings from 1901 to 1904 were made with shades of blue, and these years are known as his Blue Period. These paintings generally were somber, depicting mothers and children, beggars, and prostitutes. He began to use brighter shades of orange and pink during his Rose Period from 1904 to 1906, when he often painted circus performers. In 1907, he began experimenting with cubism. The objects and people in these works were often painted in neutral colors, and Picasso emphasized and altered their shapes in a fantastic and unrealistic manner.

At this point, the sales and prices of his paintings began to increase rapidly. For example, the cost of one of his paintings in 1907 was around 150 francs (about $600 in 2010 U.S. currency), while the price of his works rose to about 3,000 francs (around $10,000) in 1911. Many of his works were initially sold to writer Gertrude Stein and to many other persons through an art dealer, Daniel-Henry Kahnweiler, in Paris. Kahnweiler sold a small group of Picasso's paintings at an auction in 1914 for 31,000 francs (about $102,000). World War I interrupted sales, and the Germans removed many of his paintings from Paris.

Pablo Picasso. (AP/Wide World Photos)

Mature Wealth

After the war, Picasso created many paintings in a more surrealistic style. By the 1920's, Picasso had grown wealthy from the sale of his art. However, he lived simply and did not like to spend much money on extravagant items. His ideas about money caused conflict between Picasso and his first wife, Olga Khokhlova, whom he married in 1918. Olga enjoyed buying expensive jewelry and clothes and attending parties, and her expenditures angered Picasso. The two separated in 1927. That same year, Picasso met Marie-Thérèse Walter, who shared his ideas about simple living, and the two lived together for a number of years. One of the most famous of these works was *Guernica* (1937), a huge painting, about 26 feet by 12 feet, which represents the bombing of this city by the Germans during the Spanish Civil War.

Picasso stayed in Paris during World War II, but the Germans who occupied the city did not like his work and prohibited any public displays of his art. Picasso lived modestly with Françoise Gillot from 1944 to 1953 and had two children with her.

After World War II, Picasso became a well-known artist, and the price of his paintings rapidly increased. For example, the painting *Yo Picasso* sold for $500,000 in 1969. He often left piles of money and gold lying around his houses.

Picasso died in Mougins, France, in 1973. He had no will, so his family decided to split his estate among his four children and his second wife, Jacqueline Roque. This was a complicated process because his estate included many properties and bank accounts and vast numbers of unsold artworks. The total value of his estate in the 1970's was estimated to be about $840 million. France took a number of his paintings in order to pay for his estate tax.

Legacy

Picasso was one of the most significant and prolific artists of the twentieth century, whose work, painted in a wide range of styles, including cubism and surrealism, mirrored the development of modern art. Unlike many artists, who are obscure and unrewarded, Picasso was virtually a household name. He became the best-known artist of his era—and the wealthiest. His artwork continues to command astronomical prices; his painting *Garçon à la pipe* (1905; *Boy with a Pipe*) was sold for

$104 million in 2004, while *Dora Maar au chat* (1941; *Dora Maar with Cat*) was purchased at a cost of $95.2 million in 2006. On May 4, 2010, *Nude, Green Leaves, and Bust* was sold for $106.5 million, setting a record for art sold at auction. Picasso's career demonstrated that artwork could be both artistically brilliant and commercially successful, setting an example that subsequent artists would emulate.

—*Robert L. Cullers*

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See also: J. K. Rowling; Josiah Wedgwood; Edith Wharton.

T. BOONE PICKENS

American oil tycoon and financier

After making a fortune with his own oil company, Pickens sought to acquire rival firms, earning a reputation as a tough corporate raider. He has also donated more than $700 million to charity, giving generously to medical institutions, animal rights groups, and institutions of higher learning.

Born: May 22, 1928; Holdenville, Oklahoma
Also known as: Thomas Boone Pickens, Jr.
Sources of wealth: Oil; investments
Bequeathal of wealth: Charity; educational institution; medical institution

EARLY LIFE

Thomas Boone Pickens, Jr., was born in Holdenville, Oklahoma, on May 22, 1928, the only child of Grace Molonson Pickens and Thomas Boone Pickens, Sr. Pickens's father leased petroleum and mineral rights, and his mother was an administrator for the federal agency that rationed goods in the area around Holdenville during World War II. In 1944, the family moved to Amarillo in the Texas Panhandle, where Pickens graduated from high school. Upon graduation, he attended Texas A&M University on a basketball scholarship for a year before transferring to Oklahoma A&M College (now Oklahoma State University), from which he graduated in 1951 with a degree in geology. In 1949, he married his high school sweetheart, Lynn O'Brien. The couple's first child, Deborah, was born within a year of their marriage. Eventually the couple had three more children, Pam, Mike, and Thomas Boone III.

FIRST VENTURES

After graduating from college, Pickens worked for a time in an oil refinery and as a roughneck in the oil fields before landing a job as a geologist with Phillips Petroleum Company. He worked for Phillips for three years, gaining practical experience in most phases of the oil business.

In 1954, with high hopes and $2,500 of borrowed money, Pickens and two partners, Eugene McCartt and John O'Brien (his wife's uncle), formed an oil and gas firm named Petroleum Exploration, Inc. Pickens held half interest in the company, while his two partners each had a one-quarter interest. Initially the firm made money by selling oil leases that Pickens had discovered and retaining a percentage of the profits made by these leases during their first few years of oil production. Pickens's success attracted a group of investors from Amarillo whose money permitted Pickens to drill his own wells. In 1959, Pickens formed the Altair Oil and Gas Company to look for sources of energy in Canada. By 1962, his companies had drilled ninety-eight productive wells and made more than $760,000 in profits.

MATURE WEALTH

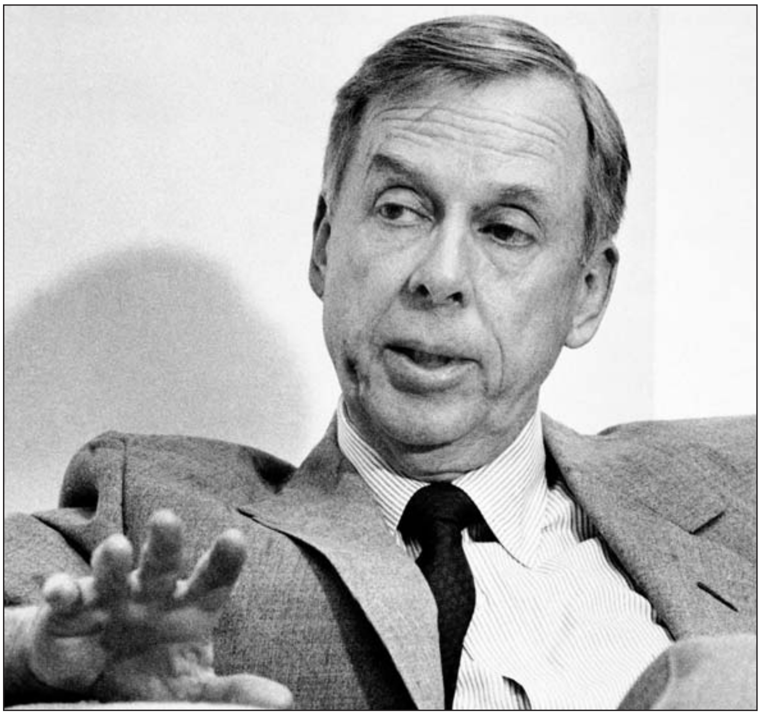
In 1963, Pickens bought out McCartt, and the following year he established Mesa Petroleum Co. by combining the assets of the original Petroleum Exploration, Inc., with those of Altair. In its first year of operation, Mesa produced revenues of $1.5 million, and by 1968 the company had revenues of $6.2 million and profits of $1.4 million.

Pickens then began the activities that later made him famous (or infamous)—the acquisition of other oil companies. In 1968, he tried to acquire the Hugoton gas field in southwestern Kansas. Hugoton resisted the efforts of the much smaller Mesa Petroleum to obtain its assets, but Pickens persisted and in 1969 acquired enough shares of Hugoton to complete his takeover. The acquisition of Hugoton's assets gave Pickens the capital he needed to complete other deals, and he shortly diversified through the purchase of cattle feeding operations and cattle in Texas. Mesa also began offshore exploration in the North Sea.

Pickens and his wife divorced in 1971, and a year later he married Beatrice "Bea" Carr Stuart, a divorcée who had four children of her own. According to his autobiography, Bea played an important role in Pickens's subsequent business career. Pickens acquired more oil companies, and in 1972 Mesa reported more than $90 million in total revenues and $15 million in profits. In 1976, Mesa discovered the largest oil field in its history in the North Sea, and this field earned the company more than $31 million in profits. By 1981, Mesa's assets had grown to more than $2 billion, making it one of the largest independent oil companies in the world.

After 1981, Pickens became more of a financier than an oilman, embarking on a career that some have called "corporate raiding." He launched several efforts to take over oil companies that were often much larger than his own. His acquisition targets included Cities Service, Superior Oil, and General American Oil of Texas. None of these acquisition efforts succeeded, but Pickens's attempted takeovers drove up the price of the target companies' stocks, which made him and other investors a great deal of money. Pickens saw himself as an advocate for stockholders rather than as a corporate raider, targeting companies he felt were mismanaged by their own executives.

Pickens then turned his attention to Gulf Oil, the sixth-largest oil company in the United States. Pickens was convinced that Gulf needed to be restructured, and to accomplish this he formed the Gulf Investment Group, which eventually acquired 11 percent of Gulf's stock. The subsequent battle between Pickens and Gulf Oil garnered great media attention. Although Pickens lost the ensuing proxy battle, his Gulf Investment Group netted more than $750 million in profits when Standard Oil of California bought Gulf Oil in 1983. Over the next few years, Pickens attempted to take over other oil companies, including Phillips Petroleum Company and Unocal. Although these attempts did not succeed, Pickens made millions of dollars in profits. In 1986, he formed the United Stockholders' Association, a nonprofit organization to defend shareholders' rights.



T. Boone Pickens. (AP/Wide World Photos)

Pickens's popularity and notoriety began to diminish during the late 1980's. In 1996, he resigned as Mesa's chairman after presiding over the company's increasing debt buildup. He and his second wife divorced at about the same time. Seemingly defeated both financially and personally, the then-sixty-eight-year-old Pickens rebounded. In 1997, he founded BP Energy Fund, which ran two hedge funds, Capital Commodity and Capital Equity, both of which invested in energy companies. In the same year, he formed Pickens Fuel Corporation and began extolling the virtues of natural gas as the best substitute for gasoline as a fuel for vehicles. In 2005, he married his third wife, Madeleine Paulson, a widow who was an activist on behalf of wild mustangs. Pickens earned more than $1 billion from the two hedge funds in 2006 and more than $2.5 billion the following year. He began acquiring subsurface water rights in Texas in 2006.

In 2008, Pickens proposed the so-called Pickens Plan, which promotes alternatives to petroleum as a source of energy, advocating the use of natural gas and wind and solar power. One of the plan's major features was a proposal to replace the electricity generated in the United States by natural gas with wind energy, which would enable natural gas to replace gasoline as the primary fuel for vehicles. For various reasons, the plan has met with considerable opposition.

BOONE PICKENS STADIUM

After the success of the 2001 football season, Oklahoma State University embarked on a large-scale fund-raising program for the renovation of its aging football stadium, Lewis Field. The fund-raising campaign received a major boost when oilman and financier T. Boone Pickens donated $165 million to the project. Pickens's donation was the largest gift for athletics to an institution of higher learning in American history. His gift financed a new outdoor practice field, a new baseball stadium, an equestrian facility, a new track, and tennis and soccer facilities.

During the 2003 football season, Oklahoma State University began a $283 million upgrade to the renamed Boone Pickens Stadium, installing a new brick facade and a connection to the basketball arena. The upgrade also included a new artificial grass surface for the field and greatly expanded seating capacity. As of the 2009 season, the stadium seated 60,218.

As part of the renovation, the stadium provided many special amenities, such as armchairs with cup holders, more legroom, television monitors, and sound systems, for spectators who pay higher prices for premium seating. People who purchase these club seats also have private access to parking facilities near the stadium. These seats cost between $1,000 and $1,500 each, with the money helping to fund further improvements to the stadium, including expanding the seating capacity to as much as 73,000.

The economic recession of 2008-2009 depleted the funds earmarked for the stadium's renovation. In 2008, Pickens provided an additional $63 million to complete the project. In all, he has donated more than $250 million to Oklahoma State University's athletic programs. The stadium was officially rededicated for the opening game on September 5, 2009, when the Oklahoma University Cowboys squared off against the University of Georgia Bulldogs.

LEGACY

Pickens has been a generous donor, giving more than $700 million to charity. In May, 2006, for example, he contributed $50 million each to the University of Texas M. D. Anderson Cancer Center in Houston and the University of Texas Southwestern Medical Center in Dallas. In December, 2005, he donated $165 million to his alma mater, Oklahoma State University, which was subsequently invested in a hedge fund controlled by Pickens's BP Capital Management company. In 2008, he gave this university another $100 million to finance academic programs, which was to be matched by the state of Oklahoma. The Pickens Plan, if implemented, could help eliminate America's dependence on foreign oil and greatly reduce greenhouse gas emissions, helping to address some of the problems associated with global warming.

—*Paul Madden*

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See also: Robert Bass; Warren Buffett; Hugh Roy Cullen; J. Paul Getty; Armand Hammer; H. L. Hunt; Carl Icahn; Michael Milken; Clint Murchison, Sr.; Joseph Pew; Sid W. Richardson.

François Pinault

French retailer and investor

Without following the traditional French path to business success, Pinault became a major retailer of luxury goods and one of the richest men in France. He also challenged the French disdain for displaying privately owned artworks, exhibiting works from his art collection at two Venice museums.

Born: August 21, 1936; Champs-Géraux, Côtes-du-Nord, Brittany, France
Sources of wealth: Trade; retailing
Bequeathal of wealth: Charity

Early Life

François Pinault (fran-SWAH pee-NOH) was born in Champs-Géraux in Brittany, France, on August 21, 1936. He left school at the age of sixteen without completing any program that would qualify him to perform a specific trade or skill; this was most atypical for a young Frenchman who had any ambition of success in the financial and corporate world. Shortly thereafter, he began working in his father's small timber business.

First Ventures

In 1963, Pinault founded his own company, which dealt in timber and other construction materials. An astute businessman, Pinault was able to purchase a number of companies that had gone into bankruptcy and restore them to profit-making enterprises. In 1963, with the purchase of Château Latour in Bordeaux, the Pinault family became involved in the wine trade. By 1988, Pinault had expanded his activities in the timber and construction materials business by importing wood and by manufacturing, selling, and distributing various wood products. At this time, he reorganized his company as a corporation, Pinault S.A., and began publicly selling its stock in the French stock market.

In 1990, Pinault decided once again to modify the direction of his business activity. He refocused his company's activities toward specialized sales and distribution, and his company ended its dealings in wood and timber goods. Pinault had purchased CFAO, an enter-

François Pinault. (AP/Wide World Photos)

François Pinault Foundation for Contemporary Art

For almost thirty years, François Pinault has collected works of contemporary art not only for his own enjoyment but also with the desire to share these works with the public. The creation of the François Pinault Foundation for Contemporary Art has enabled him to attain both goals.

After an unsuccessful attempt to build a museum in Paris, Pinault in May, 2005, acquired the Palazzo Grassi in Venice, Italy. Pinault created a company, the Palazzo Grassi S.p.A., to oversee the conversion of the palazzo to a museum. He is the majority shareholder of the company, with 8 percent ownership, and he has one partner, the Casino Municipale di Venezia. Pinault commissioned the Japanese architect Tadao Ando to renovate the building while maintaining its architectural style. Ando designed the museum to enable its historic architecture and interior design to blend with and complement the contemporary artwork on display. The Palazzo Grassi is primarily a venue for the exhibition of contemporary art, particularly works in Pinault's collection. The facility hosts temporary exhibitions and in 2006 presented three shows, with each displaying a portion of Pinault's collection.

In June, 2007, Pinault undertook another project to promote the exhibition of contemporary art. At the request of the city of Venice, he implemented the conversion of the Punta della Dogana, originally a sixteenth century customs house, into a venue for contemporary art, with Ando in charge of the renovation. On June 6, 2009, the new center opened with an exhibition, "Mapping the Studio," which was presented in partnership with the Palazzo Grassi and featured artworks displayed at both venues.

Pinault's collection is on permanent display at the Punta della Dogana. However, through the foundation he also exhibits some works from his collection in temporary exhibitions in other cities, including facilities in Lille and Dinard, France, and in Moscow, Russia. The foundation has given both established and new artists the opportunity to have their works exhibited and made known to a wider public. In addition, the foundation has enabled a large number of people to appreciate and enjoy contemporary art, thus fulfilling Pinault's desire to share his enthusiasm for these works with others.

prise involved in international trade, especially with Africa. In 1991, he acquired Conforma, a household goods and furniture group, and he entered the mass-distribution market. This decision to further diversify his business led to the founding of a holding company, Artemis S.A., in 1992. Artemis is owned entirely by Pinault's family.

Mature Wealth

Through Artemis, Pinault has continued to diversify his family's business activities. Artemis also owns *Le Point*, a news magazine, and *L'Agefi*, a daily newspaper. In 1992, Pinault purchased the French department store Au Printemps and created the business group Pinault-Printemps. Pinault also acquired 54 percent of La Redoute, a mail-order company, in 1994; this company became part of the Pinault-Printemps group, which was renamed Pinault-Printemps-Redoute (later renamed PPR). The record and book distributor Fnac also became a part of PPR.

Since its acquisition of Au Printemps, PPR has continuously renovated and reorganized this department store. After Pinault acquired it, the store was organized into five specialty sections: fashion, beauty, accessories, art of living, and men. In 1995, fashion was renamed printemps de la mode; in 1998, the men's section was renovated and became printemps de l'homme. In 2003, the store's beauty department was transformed into the largest such department in the world.

Through PPR, Pinault has continued to play a leading role in the business world. In 1996, he entered the pharmaceutical business with the acquisition of the major pharmaceutical distribution company for Western Africa. In 1998, the group became involved in the distribution of office furniture and equipment with the takeover of Guilbert, a supplier of office products to large European businesses. In 1999, PPR purchased 42 percent of the Gucci Group; with this venture, Pinault began to create a major, multibrand corporation involved in the sale of luxury goods. Pinault has continued to increase PPR's share of ownership in Gucci, and Gucci has acquired numerous companies that produce high-end fashions, cosmetics, perfumes, shoes, jewelry, and leather goods, including Yves Saint Laurent, YSL Beaute, Sergio Rossi, Boucheron, Bottega Veneta, and Balenciaga. In addition, Gucci has partnered with fashion designers Stella McCartney and the late Alexander McQueen.

While Pinault's vast fortune was made in retailing, he has also invested in entertainment and sports ventures. He owns Stade Rennais Football Club, a football team in France's premier league, and the Théâtre Marigny in Paris.

In 2003, Pinault's son, François-Henri Pinault, became the chief exeuctive officer of PPR, and Pinault began to devote more of his time to his art collection and its exhibition. In 2004, Pinault was the third-richest individual in France. In 2008, Pinault ranked thirty-ninth on *Forbes* magazine's list of world billionaires, with his net worth estimated at $16.9 billion; in 2010, his net worth dropped to $8.7 billion, and he was the seventy-seventh-richest billionaire on the magazine's list.

In addition to his involvement in the business world, Pinault is a renowned art collector. His success in business has enabled him to acquire an art collection, which is perhaps the most important private collection in France. In 1990, he bought his first major artwork, a 1925 painting by Piet Mondrian, *Lozenge Composition with Red, Black, Blue, and Yellow*; the cost of the painting was £5.7 million. In 1998, he purchased Christie's Auction House for £7 million. Pinault has not been satisfied to merely enjoy artworks as a private collection but has also concentrated on exhibiting them. His desire to show his artworks challenges French cultural customs, because France does not have a tradition of allowing the public to view privately owned art collections. In an initial effort to exhibit his art, Pinault bought a ruined Breton chapel and transported it to his château in Paris, where it was reassembled by American sculptor Richard Serra and presented for public display. The French government and populace were scandalized by Pinault's action.

Pinault was embroiled in another controversy when he purchased Seguin Island in the Seine, on which an abandoned Renault automobile factory remained. He planned to build the François Pinault Foundation for Contemporary Art museum there in order to exhibit his two thousand paintings, sculptures, and other pieces. However, the factory, known as Fortress Billancourt, is viewed by many French people, especially the socialists, as a monument to the nation's industrial past and the trade unions that fought for workers' rights. Consequently, after considerable opposition to Pinault's planned destruction of the factory, problems of decontamination, and other bureaucratic issues, Pinault abandoned the project, in which he had invested $26 million. In 2005, he acquired the Palazzo Grassi in Venice, Italy, where he has created a venue for exhibiting his art collection and established the François Pinault Foundation for Contemporary Art.

Legacy

François Pinault has received both praise and criticism throughout his career. He is certainly atypical as a French entrepreneur, as he did not follow the usual path of education to enter the business world. He has also been accused of putting his interests ahead of France's broader cultural considerations, as demonstrated by the controversies over his public exhibition of the reassembled Breton chapel and his plans to build a museum on Seguin Island.

However, Pinault has left the world two significant legacies. Through his commercial enterprises, he has made major contributions in the areas of mass distribution of goods and in the development of the luxury goods sector of the world economy. His most important legacy, however, is his contribution to contemporary art. Through his support of artists and his public presentations of his art collection, he has made modern artworks available to the public and has encouraged the development of this art. The François Pinault Foundation for Contemporary Art plays a significant role in the advancement and preservation of contemporary art through its museums, the Palazzo Grassi and the Punta della Dogana in Venice.

—*Shawncey Webb*

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See also: Lord Beaverbrook; Béatrice Ephrussi de Rothschild; Isabella Stewart Gardner; David Geffen; J. Paul Getty; Peggy Guggenheim; Armand Hammer; Charles Lewis Tiffany; Alice Walton.

C. W. Post

American inventor and industrialist

Post founded the Postum Cereal Company to market Grape-Nuts, Post Toasties, and the coffee substitute Postum. By the early twentieth century, his company had made him one of the country's wealthiest men.

Born: October 26, 1854; Springfield, Illinois
Died: May 19, 1914; Santa Barbara, California
Also known as: Charles William Post
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Spouse; children

Early Life

Charles William Post was born in 1854 to Charles Rollins and Caroline Lathrop Post. He dropped out of Illinois Industrial University after two years and worked briefly in Independence, Kansas, before returning home to Springfield, Illinois. There, he invented, manufactured, and sold farm implements. In 1874, he married Ella Letitia Merriweather, with whom he had one child, Marjorie Merriweather Post.

Post moved to Texas in 1886 and with his brother Rollin became a land developer. Their projects included both industrial mills and housing. His marriage to Ella failed, and in 1904 Leila Young became his second wife.

First Ventures

Post led a troubled life. His zeal, coupled with a restlessness that required constant stimulation, propelled him into the invention of "scientific suspenders," a safety bicycle, and his version of a player piano, as well as the farm machinery he had earlier invented or improved. He experimented with using dynamite for making rain.

His frenzied pace resulted in mental and physical health problems, including two nervous breakdowns. He sought treatment from John H. Kellogg at the famed Battle Creek, Michigan, sanatorium. Kellogg, a physician with a penchant for treating sickness with health foods, helped Post realize that cereals and beverages similar to those served at the sanatorium could be marketed to the general public. Post's first product was Postum, a coffee substitute made of bran and molasses

C. W. Post. (©Bettmann/CORBIS)

that went on the market in 1895. Two years later, he introduced Grape-Nuts cereal, which was followed in 1907 by Elijah's Manna, a corn flakes cereal that was renamed Post Toasties the following year. Venturing into the consumer marketplace soon put Post in direct competition with another Battle Creek cereal maker, Kellogg's brother W. K. Kellogg.

Mature Wealth

By 1909, Post's firm, the Postum Cereal Company, had sales of more than $5 million. The company's Battle Creek manufacturing facility, called the "White City" because the buildings were all painted white, contained cereal and paper factories, grain storage silos, offices, and warehouses. The paper factory was used for product packaging. Post attributed his phenomenal success to large-scale advertising methods, including the then-unheard-of practices of giving away product samples and issuing coupons to entice shoppers. He appealed to consumers' health concerns by claiming that Post products would put them on the "road to Wellville."

His company's sales grew until Post's personal fortune made him one of the wealthiest men in the early twentieth century United States. Post cereals were internationally popular and his workforce expanded. A paternalistic employer, he vigorously campaigned against labor unions. He sought to increase employee satisfaction by building hundreds of houses that his workers could buy for down payments of $4 and monthly mortgages of around $20.

Post strongly believed that physical health required spiritual peace, and for this reason in 1907 he founded a utopian town named Post City in Texas. The community failed to thrive, but the town, renamed simply Post, still exists today. In 1914, Post died in Santa Barbara, California, at the age of fifty-nine. His death was deemed a suicide, brought on by his despondency over his poor health.

Legacy

Post had laid the groundwork for his company to expand by acquiring other brands. After the company had acquired Birds Eye Foods and Jell-O, its name was changed to General Foods Corporation in 1929. General Foods was taken over by the Phillip Morris Company in 1985, and it later became part of Kraft Foods.

Post's daughter, Marjorie Merriweather Post, and her second husband, financier E. F. Hutton, managed the wealth she inherited from her father, including his company and the majority of his personal estate. She was a socially conscious heiress, contributing, often anonymously and always without fanfare, to causes, including a World War I hospital on a military base in France, schools, colleges, children's camps, and the arts.

Post's greatest legacy may be the C. W. Post Campus of Long Island University. The school was founded in 1954 to teach what Post believed to be the basic qualities needed for success in any endeavor: ingenuity, determination, and courage.

—*Norma Lewis*

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See also: Philip Danforth Armour; Roberto C. Goizueta; W. K. Kellogg; Ray Kroc; Reginald F. Lewis; Marjorie Merriweather Post; Louis F. Swift; William Wrigley, Jr.

Marjorie Merriweather Post

American businesswoman and philanthropist

An heiress, socialite, and pioneer businesswoman, Post helped transform her father's cereal company into General Foods Corporation, the leading frozen and prepared food company in the United States. She donated millions of dollars to various philanthropic causes, built luxurious estates that became landmarks, and bequeathed her unique art treasures to a public museum.

Born: March 15, 1887; Springfield, Illinois
Died: September 12, 1973; Washington, D.C.
Sources of wealth: Inheritance; manufacturing; sale of products
Bequeathal of wealth: Children; relatives; educational institution; charity

Early Life

Marjorie Merriweather Post was born on March 15, 1887, in Springfield, Illinois. She was the only child of C. W. Post, a salesman, and Ella Letitia Merriweather. In 1891, the family moved to Battle Creek, Michigan, where Charles was treated for a severe digestive ailment at the sanatorium managed by doctor John H. Kellogg, a facility that was famous for its dietary cures. Charles invented Postum, a coffee substitute made of bran, wheat berries, and molasses. In 1895, he launched the successful Postum Cereal Company, which manufactured Grape-Nuts, America's most popular cereal. By 1909, he had made a $5 million fortune.

After attending public schools in Battle Creek, Marjorie attended the Mount Vernon Seminary in Washington, D.C., from 1901 to 1904. Outside the classroom, her father prepared her to inherit his company. She toured factories, attended board meetings, traveled to Europe, and learned marketing techniques.

First Ventures

In 1905, Post married her first husband, wealthy lawyer Edward Bennett Close. They settled in Greenwich, Connecticut, and had two children, Adelaide, born in 1908, and Eleanor, born in 1909. Post attended classes in art and architecture at a local private school. When Post's mother Ella died in 1912, Post inherited her mother's Postum stock. When her sick father committed suicide in 1914, the twenty-seven-year-old Post became the sole heir of the cereal company, worth $20 million, which was a huge fortune at the time. During World War I, Post made her first major philanthropic contribution. In 1917, she funded a Red Cross army hospital in Savenay, France, at a cost of $75,000.

Close became the cereal company's director, and the couple eventually purchased the five-story Beaux-Arts Burden Mansion on New York City's Fifth Avenue. Post decorated her first showplace home with the advice of art dealer Joseph Duveen, who had helped develop the Old Masters collections of John D. Rockefeller, Henry Clay Frick, and Andrew Mellon. At Duveen's suggestion, Post enrolled in courses about porcelain, furniture, and tapestries at the Metropolitan Museum of Art. She developed her lifelong love of collecting unique objects and furnishings. Post acquired exquisite pieces, including Sèvres porcelains, paintings by Thomas Gainsborough, Louis XVI furniture, Peter Paul Rubens's *Adoration of the Magi*, Gobelin tapestries that Louis XVI and Marie Antoinette had given to Prince Henry of Prussia, and Beauvais tapestries designed by François Boucher.

Marjorie Merriweather Post. (©Bettmann/CORBIS)

Mar-a-Lago

Mar-a-Lago, which is Latin for "sea to lake," was the luxurious Palm Beach, Florida, estate of cereal heiress Marjorie Merriweather Post and her second husband, financier E. F. Hutton. In the early 1920's, Post searched for a beachfront location to build a majestic mansion where she could host lavish parties during the winter social season. After crawling through the underbrush of many undeveloped jungle areas, Post and her realtor finally found seventeen acres between the ocean and Lake Worth where she could build a hurricane-resistant building, anchored by concrete and steel to the ancient coral reef under the barrier island.

Mar-a-Lago was built between 1924 and 1927 at a cost of approximately $2.5 million. Post employed six hundred local craftsmen, European artisans, and other skilled workers. She brought in prominent architect Marion S. Wyeth for the basic floor plan and hired Austrian architect Joseph Urban for the more intricate designs. Urban had created designs for the khedive of Egypt, Emperor Franz Joseph, and the Ziegfeld Follies.

When finished, the crescent-shaped structure was topped by a seventy-five-foot tower with views in all directions. A blend of Spanish, Moorish, Venetian, and Portuguese styles, this architectural masterpiece had 115 rooms. Special features included carved stone sculptures, gold bathroom fixtures, frescoes, twenty thousand Cuban roofing tiles, and more than thirty-six thousand rare antique Spanish and Moorish tiles, some dating back to the fifteenth century. In 1969, Mar-a-Lago was designated a National Historic Site, and in 1972 it was added to the National Register of Historic Places.

Post regularly hosted her International Red Cross Ball at Mar-a-Lago. This annual charity event was a formal gala attended by wealthy socialites, foreign ambassadors, and celebrities. Mar-a-Lago remained Post's favorite winter haven until her death on September 12, 1973. In her will she donated Mar-a-Lago to be used as a presidential and diplomatic retreat by the federal government.

However, this estate was too expensive to maintain and its location near water and an airport posed security risks, so in 1980 the government returned the property to the Post Foundation. In 1985, realtor Donald Trump purchased the property to use as a private residence. He spent millions of dollars to restore and upgrade the property. In 1995, he established the estate as the Club Mar-a-Lago, one of the most expensive and beautiful private clubs in the world. The last of the grand estates built in Palm Beach in the 1920's, the Mar-a-Lago Club is considered the most valuable piece of property in Florida.

Mature Wealth

Close and Post divorced in 1919, and Post married Wall Street financier E. F. Hutton in 1920. Their daughter, Nedenia Marjorie Hutton, born in 1923, later became the actor Dina Merrill. As Postum's chairman of the board of directors, Hutton made the firm a publicly traded company on the New York Stock Exchange in 1922. Postum also acquired other food manufacturers, including Maxwell House Coffee, Hellmann's Mayonnaise, Jell-O, and Log Cabin Syrup. However, it was Post who realized the potential market for prepared foods and persuaded Postum to purchase Clarence Birdseye's frozen food brand. Subsequently, in 1929, Postum became the powerful General Foods Corporation, the largest food firm in the country.

During the 1920's, Post built famous homes, including the Hillwood mansion on 176 acres in Long Island; the 115-room Mar-a-Lago in Palm Beach, Florida; and a 207-acre Adirondacks camp called Hutridge (later renamed Topridge). Post also designed a fourteen-story apartment building, with a fifty-four-room penthouse, in New York City. She owned the world's largest private sailing yacht, *Hussar V*, later called the *Sea Cloud*.

To furnish her homes, she became an avid collector. Some of her treasures included a Louis XV jewelry coffer inset with Sèvres porcelain plaques, a Louis XVI commode by Jean-Henri Riesener, a unique rolltop desk by Abraham and David Roentgen, and eighteenth century French decorative furniture and gold boxes. While ostentatiously spending money, Post was also devoted to charity work. During the Depression, she funded Salvation Army and church soup kitchens in New York City. She also supported Franklin D. Roosevelt's New Deal policies.

After Post and Hutton divorced in 1935, Post joined the board of directors of the General Foods Corporation. In December, 1935, Post married attorney Joe Davies, who had chaired the Federal Trade Commission from 1915 to 1916. President Roosevelt appointed Davies ambassador to the Soviet Union in 1936. While in the Soviet Union, the couple was able to acquire Russian imperial art treasures at discount or nominal prices. Post's collection of Fabergé jewelry, Russian Orthodox icons, porcelain, gold chalices, jeweled ornaments, and other items would become the most comprehensive collection of its kind outside Russia.

In 1955, Davies and Post divorced. Davies kept their Washington, D.C., home, so Post bought a twenty-five-acre Washington estate, Hillwood, which she intended to become a museum. Hillwood would house her Russian imperial art collection, as well as her famous collection of eighteenth century French decorative art and furnishings.

In 1958, Post married Pittsburgh businessman Herbert Arthur May. That year she also retired from the General Foods board of directors. In the early 1960's, Post donated $100,000 to help build the John F. Kennedy Center for the Performing Arts. Post and May were divorced in 1964. Through the years, Post was a major benefactor of the National Symphony Orchestra. In 1967, at her eightieth birthday celebration at Constitution Hall, the symphony performed in her honor.

In 1971, Post's health began to deteriorate, and she started to suffer from a series of strokes. By August, 1972, she had severe memory loss and was soon confined to a wheelchair. She died of cardiac failure on September 12, 1973.

In her will, Post left $117 million to her family, with the remaining assets divided among her daughters. The will provided endowments of $100,000 each to the C. W. Post Campus of Long Island University, the National Symphony, the American Red Cross, and Mount Vernon College. Smaller amounts were bequeathed to various relatives, business associates, servants, and others. Post also left trust funds to maintain Hillwood and Mar-a-Lago. Hillwood eventually became a significant public art collector's museum called Hillwood Estate, Museum, and Gardens. She donated Mar-a-Lago to the United States federal government to use as a diplomatic and presidential retreat.

Legacy

With a net worth of $250 million (or $1 billion in 2008 dollars), Marjorie Merriweather Post was the wealthiest woman in America. An independent thinker with a sharp business sense, she helped create the powerful General Foods Corporation and was one of the first women to be a director of a major company.

Considered America's version of royalty, Post was like an empress living the American dream of wealth with luxurious homes, expensive jewelry, unique furniture, extravagant parties, and powerful friends. At the same time, Post was a dedicated philanthropist. She donated millions of dollars to charities, such as the Boy Scouts of America, the National Symphony, C. W. Post Campus at Long Island University, and soup kitchens in New York City. Many of her lavish homes have become landmarks, and she left estates to benefit the government and to serve as public museums.

—Alice Myers

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See also: Philip Danforth Armour; Roberto C. Goizueta; W. K. Kellogg; Ray Kroc; Reginald F. Lewis; C. W. Post; Louis F. Swift; William Wrigley, Jr.

JAY A. PRITZKER

American hotel magnate and conglomerate owner

Pritzker used his professional training in law and accounting to acquire a diverse group of small companies and build them into an enormous business empire. His most notable success was the creation of the Hyatt Hotels Corporation, which not only made him a personal fortune but also revolutionized the business travel industry.

Born: August 26, 1922; Chicago, Illinois
Died: January 23, 1999; Chicago, Illinois
Also known as: Jay Arthur Pritzker
Sources of wealth: Real estate; tourism
Bequeathal of wealth: Children; educational institution; Pritzker Architecture Prizes

EARLY LIFE

Jay Arthur Pritzker (PRIHTZ-kehr) was born in Chicago, Illinois, in 1922, the son of Fanny Doppelt and Abram Nicholas Pritzker. Jay was the oldest of three sons, and he and his brothers Robert Alan Pritzker and Donald Nicholas Pritzker would later create a family financial dynasty. His father Abram was the son of a Russian-Jewish immigrant who knew the importance of hard work, education, savings, and secure investments. Jay's grandfather Nicholas Pritzker laid the foundation for the future financial empire by establishing the law firm of Pritzker & Pritzker and by investing the firm's profits in real estate. After graduating from Harvard Law School, Abram joined the family law firm.

Clearly, family tradition and mutual support played an important role in the success of the Pritzker family, and these values had a positive effect on Jay's developing personality and character. Growing up in Chicago in the 1920's also played a pivotal role in his early development. In this "roaring twenties" era, Chicago was experiencing rapid economic growth, notorious gangland violence, corrupt politics, and an ever-increasing immigrant population from Eastern Europe. The city was ripe for individual fortunes to be made, and Jay did not waste any time in pursuing his dreams. He finished high school at age fourteen and then attended Northwestern University in Evanston, Illinois, receiving his undergraduate degree in 1941 and his law degree in 1947. During World War II, Pritzker was a naval aviator. As a young man entering into the business world, he relied upon what he called the "Pritzker work ethic" to achieve success—the belief that everyone should contribute to the family's wealth and not live off the money earned by others.

Jay A. Pritzker, right, presents the Pritzker Architecture Prize to architect Kenzo Tange in 1987. (AP/Wide World Photos)

FIRST VENTURES

Pritzker, whose academic training was in law and accounting, spent the early years of his career gaining valuable experience through his involvement in his family's businesses. By age twenty-nine, he had taken the first steps toward making his personal mark on the business world. He initially bought up small, relatively inexpensive companies and turned them into highly profitable entities. Never content with success, Pritzker was always looking for ways to increase his holdings through additional acquisitions and new ventures.

Pritzker's early success was partly due to the business opportunities that arose at the end of World War II, a period that brought many changes in the American lifestyle. During the war, women in the workplace not only filled the void left by the men who were drafted into military service but also represented new business markets. In the postwar era, there was a great demand for manufactured goods, automobiles, housing, luxury items, and vacation travel. The travel industry flourished, creating a great demand for better means of transportation and affordable accommodations. Businessmen who were regularly away from home demanded a higher-quality accommodation that would make their stay more comfortable but still be suitable for conducting business.

This desire became apparent to Pritzker in 1957, while he was waiting for a flight at Los Angeles International Airport. Always looking for a good investment opportunity, Pritzker noticed that the airport coffee shop was doing an unusually good business. He also learned that the airport hotel was usually booked to capacity, and he was impressed by the fact that this was the only first-class hotel he had ever seen at an airport. As luck would have it, both the coffee shop and the Hyatt Von Dehn hotel were for sale. Acting upon his instincts, Pritzker immediately made an offer of $2.2 million to buy both, and the offer was accepted. Pritzker was betting that business executives like himself would be willing to pay a higher price for the convenience of staying at a quality hotel close to the airport.

His gamble paid off, and the purchase of the Hyatt hotel in Los Angeles quickly led to construction of another Hyatt hotel located near the San Francisco International Airport in Burlingame, California. With the success of a second Hyatt hotel, Pritzker and his brothers expanded their operations by acquiring additional hotel properties at several major airports across the United States. These acquisitions would eventually evolve into the multibillion-dollar international Hyatt Hotels Corporation that serves as the flagship of the Pritzker family's investments.

Mature Wealth

One of Pritzker's early acquisitions was the Colson Corporation, a financially troubled manufacturer of wheelchairs and bicycles. He and his brother Robert were able to turn the company into a financial success. Similar acquisitions over the years led to the formation of the Marmon Group, a Chicago-based manufacturing conglomerate of more than one hundred companies with a diversity of industrial and service products. In 1967, Pritzker bought a half-finished Atlanta, Georgia, hotel and turned it into the elegant Hyatt Regency with what would become a trademark giant atrium. The success of the Hyatt Regency Atlanta led to similarly designed hotels being built in many other major markets.

However, Pritzker's investment interests extended far beyond the hotel business. Throughout the years, his family's holdings have combined into a vast multibillion-dollar empire protected by more than one thousand trust funds. A diversity of businesses, land holdings, and interests in natural resources all increased the family's wealth. In addition to Global Hyatt and the Marmon Group, the group also owns the Royal Caribbean International cruise ship line; the TransUnion credit bureau; Triton Holdings, an operator of marine cargo container ships; and the Conwood Company, a manufacturer of snuff and chewing tobacco. The Pritzker family also purchased Braniff Airlines and was involved in a famous takeover battle for RJR Nabisco. The Pritzkers had an in-

The Pritzker Architecture Prize

Jay A. Pritzker and his wife Cindy established the Pritzker Architecture Prize in order to draw public attention to the importance of buildings and the architectural profession. The couple were lifelong residents of Chicago and were keenly aware of this city's historic importance in the field of architecture. Chicago was the birthplace of the skyscraper and home to many buildings designed by famous architects, such as Louis Sullivan and Frank Lloyd Wright. The Pritzkers were also aware of the impact of architecture upon human behavior and how buildings influence their environments.

In 1967, Jay Pritzker acquired a partially finished hotel in Atlanta, Georgia, featuring a soaring atrium that let in natural light and gave the building an open-air feel. This design had a very positive effect on both guests and hotel employees, and it became an architectural model for other hotels. His experience at this hotel gave Pritzker a new appreciation for architecture. In 1978, he and his wife were presented with the idea of creating an annual award, including a monetary prize, in order to honor living architects and to promote creativity in architectural design. The Pritzkers enthusiastically accepted this challenge and made preparations for the presentation of the first award in 1979. Criteria for selection of an honoree would follow guidelines similar to those established by the Nobel Prize committee.

Since 1979, the award has been made on an annual basis. In 2009, winners received a $100,000 grant, a formal citation certificate, and a bronze medallion. The award ceremony is held each year at an architecturally significant site. The award has become known as the "architectural Nobel" and is regarded as architecture's highest honor.

terest in Ticketmaster; Levitz Furniture; *McCall*'s magazine; casinos in Las Vegas, Lake Tahoe, Atlantic City, and Elgin, Illinois; and AmeriSuites, a chain of more than 140 mid-priced hotels. This structured diversification of business interests and investments has enabled the Pritzker family fortune to continue to grow and has made many of the family members billionaires.

Legacy

Often cited as the creator of the Pritzker family's great wealth, Jay Pritzker had a vision of how this money should be used and maintained. It was his wish that the immense family fortune would be protected in perpetuity for the benefit of all family members in a manner respective of their individual ages and status within the family. His vision began to change in 1995, when he designated his son Thomas as his direct successor and placed him in control of the family businesses. Pritzker assumed that under Tom's leadership, business would continue as usual, but he was wrong. Tom had a different idea of how the family wealth should be distributed. Tom believed that the greatest rewards should go to those family members who made the most significant contributions to the family's financial success.

Shortly after Jay Pritzker's death in 1999, his principal heirs decided to divide the Pritzker family fortune into eleven equal shares, each worth close to $1.4 billion. These arrangements would have remained outside of public scrutiny had it not been for a lawsuit filed by Robert Pritzker's children, Liesel and Matthew. They alleged that their trust funds had been compromised, and they wanted their fair share of the inheritance, as well as punitive damages totaling almost $6 billion. A settlement was eventually reached, but not before turning the Pritzkers' private family business into a public spectacle, which was not what Jay Pritzker had intended.

Jay A. Pritzker was innovative in business, loyal to his family, and generous to the community at large. He contributed to a variety of charities in support of the arts and sciences and to medical, religious, and civic organizations. There is no way of accurately measuring the effects of his generosity, but his gifts have supported many causes and have affected literally millions of lives.

—*Paul P. Sipiera*

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See also: Sheldon Adelson; Leona Helmsley; Kirk Kerkorian; J. Willard Marriott; Donald Trump; Steve Wynn.

Joseph Pulitzer

American newspaper editor and publisher

Pulitzer developed techniques of reporting and publishing that led to increased circulation and advertising revenue at two major urban newspapers, allowing him to generate great personal profits. He helped create the modern newspaper industry and established journalism as a respected profession in America.

Born: April 10, 1847; Makó, Hungary
Died: October 29, 1911; Charleston, South Carolina
Source of wealth: Media
Bequeathal of wealth: Spouse; children; educational institution; Pulitzer Prizes

Early Life

Joseph Pulitzer (PYEWL-ihts-ehr) was born in Makó, Hungary, the child of middle-class parents who provided him a good education. Nevertheless, constant arguments with his stepfather drove Pulitzer to emigrate to the United States, where he enlisted in the Union army in 1864. After the Civil War, he drifted about looking for work, and he was nearly destitute when he arrived in St. Louis, Missouri. Within a few years, however, he had managed to acquire an education in the law, develop a passion for the news business, and become an American citizen. He worked at various newspapers as a reporter and eventually was made editor of the German-language *Westliche Post*. Although he continued doing legal work for several years, Pulitzer realized that his passion was for journalism.

First Ventures

Pulitzer's work ethic at the *Westliche Post* so impressed the owners that in 1872 they made him managing partner and allowed him to become part owner by purchasing shares on credit. To their dismay, his overbearing nature as an editor and publisher made them quickly regret their decision. Within months they bought him out, paying him $30,000 for his interest. Although Pulitzer used some of his money to travel, in 1874 he spent several thousand dollars at auction to buy the bankrupt newspaper *Staats-Zeitung*, realizing that its Associated Press franchise was a valuable asset. He sold the newspaper almost immediately for $20,000, a considerable sum, given that the average annual income at the time was $450 to $500. Another stint of traveling took him to Washington, D.C., where he worked briefly for the *New York Sun* covering the 1876 presidential election. In 1878, he married southern socialite Kate Davis; during the next two decades the couple would have seven children. Later in 1878, Pulitzer was back in St. Louis, ready to invest his savings in another newspaper, the bankrupt *Evening Dispatch*. Once again, Pulitzer bid at auction, paying $2,500 for the assets and vowing to turn a profit on his investment.

Mature Wealth

Within months Pulitzer transformed the nearly defunct *Evening Dispatch* into the widely read and highly profitable newspaper he renamed the *Post-Dispatch* after com-

Joseph Pulitzer. (The Granger Collection, New York) bining it with competitor John A. Dillon's *Evening Post*. Pulitzer's first move as owner was to hire a highly competent staff of reporters, editors, and advertising sales personnel and pay them well, a practice he continued throughout his career. In 1879, he bought out the *Evening Star*, thereby gaining a monopoly on the evening news market in St. Louis.

Pulitzer was a hands-on publisher, writing copy himself and closely supervising employees. A liberal Democrat, he supported reformist causes but consistently touted the independence of his newspaper. The *Post-Dispatch* attacked corruption in government and the private sector, adopting principles of reporting that would eventually come to be known as sensationalist journalism. Circulation soared, and with increased sales came substantial profits, largely from advertising revenues. In his first year as publisher of the *Post-Dispatch*, Pulitzer netted a profit of $80,000 after paying nearly $100,000 in expenses. During the next five years, his income from the newspaper continued to increase, and by 1883 he had established his family in a fashionable neighborhood in St. Louis and was earning more than $100,000 annually.

This handsome income allowed him to fulfill a dream he had nurtured for a decade: to purchase a New York City newspaper. In 1875, he had made an unsuccessful bid for New York's *Belletristiche Journal*. Nine years later and possessing considerably more resources, Pulitzer bought the struggling *New York World* from railroad tycoon and financier Jay Gould for $346,000, paying $100,000 in cash and deferring the remainder, which he paid over the next several years out of the profits from the revitalized newspaper. Even in the highly competitive New York City market, where several morning newspapers vied for readership, Pulitzer was phenomenally successful. When Pulitzer took over the *World*, its circulation stood at less than fifteen thousand. By the fall of 1884, the *New York World*'s circulation exceeded 100,000; in 1890, the daily edition had a circulation of nearly 300,000. Pulitzer's competition with rival William Randolph Hearst's *New York Journal* only led to increased efforts at providing more sensational news accounts that in turn attracted even more readers. At the end of the century, circulation at the *World* exceeded one million.

As he had done at the *Post-Dispatch*, which he continued to own and run in absentia, Pulitzer used the *World* to expose corruption and champion causes important to the working classes. At both newspapers he was extremely innovative. Always a believer that sensational reporting helped sell newspapers, over the course of his career Pulitzer introduced multicolumn banner headlines, pioneered sports reporting and sections devoted to women's issues, and experimented with story placement. Curiously, although he was eager to become wealthy, his newspapers often exposed the greed of other millionaires whose wealth was ostensibly accumulated at the expense of the common people. Powerful politicians were also fre-

The Pulitzer Prizes

According to the terms of newspaper publisher Joseph Pulitzer's will, after his death the awards known as the Pulitzer Prizes were created to recognize significant work in fiction, biography, drama, education, and journalism. A special committee consisting of working journalists and members of Columbia University's faculty was established to choose recipients from among nominees each year. The first prizes were awarded in 1917. Over the years, categories have been added, so that by the end of the twentieth century Pulitzer Prizes were also awarded for poetry, music, and photography. Recipients are presented a certificate and a cash award, but the real value of receiving a Pulitzer has always been the recognition given to an individual or organization fortunate enough to be chosen as a winner.

Many well-known American writers and musicians have been honored with Pulitzer Prizes for literary and musical compositions, including Ernest Hemingway, William Faulkner, and Toni Morrison for fiction; Richard Wilbur for poetry; Eugene O'Neill and Arthur Miller for drama; Vernon Louis Parrington and Arthur M. Schlesinger, Jr., in history; and Wynton Marsalis in music. Because the award recognizes a particular work, however, the Pulitzer has often gone to less well-known individuals whose novels, histories, poems, dramas, or musical compositions stood out from among the nominees.

The idea of treating journalism as serious literature was a radical notion at the beginning of the twentieth century, but Pulitzer wanted to recognize the contributions journalists made to American society by equating the practice of news reporting and writing with other forms of literary art. Over time, however, the most coveted prize has been the award of a gold medal for public service journalism. Newspapers large and small have been honored for stellar reporting on events of significance to their readership. Perhaps no Pulitzer has been more widely recognized than the one awarded in 1973 to *The Washington Post* for its coverage of the Watergate break-in and its aftermath, a series that was instrumental in forcing Richard Nixon to resign the presidency of the United States.

quent targets of Pulitzer's wrath, and a feud between him and Republican politician Theodore Roosevelt ended up in the courts, where Pulitzer was eventually able to win a nasty libel suit. Ironically, Pulitzer made a brief foray into national politics in 1886, running successfully for Congress. He resigned the following spring, however, finding he could not serve in Washington, D.C., and run his newspapers successfully.

A shrewd businessman as well as a committed journalist, Pulitzer realized that growth in circulation provided the opportunity to generate additional advertising, and by the mid-1880's he had increased advertising by eighteenfold. Revenue from advertising produced the real profits for a publisher—in Pulitzer's case, more than $500,000 annually by 1886. The bulk of any dividends declared from these profits went to Pulitzer as principal shareholder in the corporation he had set up to run the *World*.

By 1885, he was able to provide his wife an annual allowance of $100,000, purchase a mansion on Fifth Avenue in New York City, and contribute to a number of political and social causes for which he had special sympathy. Over the next twenty years he and his family lived luxuriously, his wife enjoying frequent overseas trips, where she spent lavishly on the latest fashions. The Pulitzers also accumulated an enviable collection of artwork, which they displayed in a series of increasingly elegant mansions that they acquired in fashionable New York neighborhoods.

Of course, some of the *World*'s profits went back into the business to pay for state-of-the-art printing presses and reward employees who helped make the newspaper a success. In 1890, Pulitzer paid $2.5 million to construct the *New York World* building in downtown Manhattan. When it was completed it was the tallest building in the city. Unfortunately, by this time Pulitzer was unable to attend its opening. In 1888, he suffered a breakdown that robbed him of his eyesight and made him especially sensitive to noises. Although he continued to direct operations at the *World* and to a lesser extent at the *Post-Dispatch*, Pulitzer became a virtual recluse, sending memos and telegrams to his managers while spending most of his time at his retreat in Maine, at various resorts in Europe, or at sea. In 1907, he spent $1.5 million for a specially designed yacht, the *Liberty*, aboard which he could enjoy the quiet respite that urban life denied him. During the last decade of his life, he became a strong advocate for a new brand of journalism that stressed accuracy and fairness in reporting. Pulitzer died in Charleston, South Carolina, in 1911.

Legacy

Pulitzer left an estate of more than $18 million, as well as several homes. Beneficiaries included several charities and nonprofit organizations; the Metropolitan Museum of Art and the Philharmonic Society each received $1 million. He established an endowment of $2.5 million to provide for his widow, and he made smaller bequests to his daughters and some longtime employees. The bulk of his estate, his stock in the *World* and *Post-Dispatch*, was divided among his three sons; Herbert received 60 percent, Ralph, 20 percent, and Joseph, 10 percent, with the remaining 10 percent dispersed among key employees of the newspapers. Sadly, although the *World* was considered the flagship of the Pulitzer empire, Ralph and Herbert were able to maintain it as a family corporation only until 1931, when they sold out to the Scripps-Howard chain. Under Joseph Pulitzer II, however, the *Post-Dispatch* continued to flourish and remained one of America's most prestigious newspapers throughout the twentieth century.

By far the most notable bequest Pulitzer made was to Columbia University. In 1902, Pulitzer began negotiating with university president Nicholas Murray Butler to establish a journalism school at Columbia and create a series of prizes to recognize accomplishments in various literary fields, including journalism. In his will, Pulitzer left $2 million to Columbia to carry out this plan. The School of Journalism opened in 1912, the year after Pulitzer died, and at the 1917 commencement the university honored the first recipients of what would become America's most prestigious annual awards for literature: the Pulitzer Prizes.

—*Laurence W. Mazzeno*

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See also: James Gordon Bennett, Jr.; Cyrus H. K. Curtis; Jay Gould; Katharine Graham; William Randolph Hearst.

GEORGE MORTIMER PULLMAN
American inventor and industrialist

Pullman, the inventor of the railroad sleeping car, changed the nature of railroad travel. He initially was admired for his employee policies, but his relationship with his workers quickly deteriorated after an economic downturn in 1893 resulted in an ugly strike at his company the following year.

Born: March 3, 1831; Brocton, New York
Died: October 19, 1897; Chicago, Illinois
Sources of wealth: Patents; railroads
Bequeathal of wealth: Spouse; children; educational institution

George Mortimer Pullman. (Archive Photos/Getty Images)

EARLY LIFE

George Mortimer Pullman was born into the world of his blue-collar father. Young Pullman was reared in the shadow of the Universalist Church, in which two of his brothers would become pastors. However, Pullman always preferred to emphasize good decisions, self-control, and honesty over overt Christian orthodoxy. Therefore, although he attended church throughout his life, the lessons he learned were always applied in a manner that coincided with his innate convictions about decency and character. Pullman attended school until age fourteen, when he traded formal studies for a job at a general store in Westfield, New York. Three years later, in 1848, he became a cabinetmaker, and he later joined his father in the business of moving buildings.

FIRST VENTURES

He and his father were fortunate to be living near the Erie Canal when the decision was made to widen it, because this project required that many homes be moved away from the waterway, thus providing ample work for the Pullmans. Five years later, in 1853, Pullman's father became ill and died. This left Pullman to finish moving the homes without his father's guidance, a job he successfully completed in 1855.

Pullman then opened an office in Chicago and began elevating buildings, as well as moving them. In the mid-1850's, many of the buildings and streets in Chicago were only a few feet above Lake Michigan's water level, and flooding and poor drainage were common

The Pullman Strike

Under the auspices of his Palace Car Company, George Mortimer Pullman forever changed the means of railroad travel and relations between factory owners and their workers. Until he set about developing his railcars, passengers rode long distances on cars outfitted with uncomfortable seats. These seats were narrow, and they failed to soften the bumpy rides. Railroad owners were more concerned with expanding their lines than with the comfort of their passengers.

Pullman invented railcars with more comfortable seats that folded over to provide bunks for sleeping. These cars were outfitted with carpeting, drapes, upholstered chairs, libraries, card tables, and washrooms, and travelers were provided with exceptional customer service. Pullman offered his customers a more luxurious journey at a higher price than his competitors.

Pullman initially partnered with Benjamin and Norman Field to construct sleeping cars for two railroads, both of which were in Illinois. In 1867, he received a charter from the Illinois legislature to establish his Palace Car Company. Pullman later built a town, Pullman, Illinois, where the employees of the Palace Car Company could live, but he did not provide this amenity without making a profit. His workers paid rent for their housing, and Pullman also profited from the groceries, clothing, and other merchandise that was sold in his town's stores.

At first the trade-off between having a place to live in Pullman's town and knowing Pullman profited from the town posed no problem for workers. However, this changed in 1893, when a nationwide economic downturn significantly slowed the Palace Car Company's business. When Pullman seemed oblivious to the economic hard times, his relations with his employees soured, and in 1894, workers planned for a strike at the Pullman facilities. In early May, 1894, the workers' committee at the company's factory confronted Pullman about the problems arising because their low salaries could barely pay for their high rents. Pullman responded by firing committee members.

His action led Palace Car Company workers to go on strike beginning on May 11, 1894. Eugene V. Debs, a representative of the American Railway Union (ARU), led the strike. ARU members who did not work at the Pullman factory were instructed not to handle any of Pullman's cars and not to work for railroads that continued to handle them. This decision set off a wider strike against Pullman that began on June 26, 1894. At the strike's peak, about 250,000 workers in about twenty-seven states were involved in the work stoppage.

Railroad owners, who had long sided with Pullman on labor issues, were able to force the federal government to break the strike by attaching U.S. mail cars to the trains containing Pullman's cars. The owners argued that unless the federal government intervened, mail delivery would be at a standstill aboard the boycotted trains. Convinced of the veracity of the railroad owners' arguments concerning mail delivery, President Grover Cleveland sent federal troops to Chicago in July, 1894, to break up the strike, and this intervention ended the work stoppage.

problems facing Chicagoans. In 1858, Pullman secured a contract to raise the Tremont Hotel so it would safely rest above the threat of Lake Michigan's waters. Pullman successfully raised the hotel, and he went on to elevate other historically significant buildings.

With the arrival of winter and the subsequent freeze that halted work on construction projects, Pullman boarded a train to return to New York. His arduous trip led Pullman to design a more comfortable means of travel for passengers taking long journeys by train. Just as his move to Chicago had been well timed for a man in the business of moving buildings, his decision to design a luxurious railcar proved equally fortuitous.

Mature Wealth

In order to build his cars, Pullman found two normal railcars suitable for a makeover and available for purchase. He converted these cars into facilities with sleeping accommodations. Although this conversion cost $2,000, a hefty sum at this time, Pullman staunchly believed that people would pay more money for a higher-quality rail trip. To this end, he made sure that the inside of his cars looked exquisite, from their fine, interior wood paneling to their toilets and linen closets.

By the time the Civil War began, Pullman had sufficiently expanded his rail line to provide travel between a greater number of cities. By 1862, he had developed an even smoother-riding vehicle by building a car with sixteen instead of eight wheels. However, when the Union began using cars to transport troops during the Civil War, Pullman's ambitions were put on hold for a few years.

In August, 1865, just months after the end of the Civil War, Pullman was able to persuade Union commander Ulysses S. Grant to travel aboard one of his sleeping cars. The car provided for Grant was far more advanced than those constructed three years earlier, and Grant's use of it was an advertising boon for Pullman, who quickly discovered that the public readily approved of almost everything the Union leader endorsed.

As 1866 came to a close, Pullman had nearly fifty sleeping cars in operation, and in February, 1867, the Illinois legislature granted a charter to Pullman's Palace Car Company. With the charter in hand, Pullman resolutely began the work of making passengers' rides not only more comfortable but also less burdensome. Pullman recalled how the unpleasantness of his travels between Chicago and New York in the winter of 1858 was multiplied by the aggravation of having to drag baggage from one car to another as he changed lines at various train stations during the thirteen-hundred-mile journey. He worked on ways to ensure that his passengers would not have to change cars or move their luggage during a trip.

When Pullman was ready to demonstrate that he had envisioned every possibility for making rail travel easier, he sponsored a week-and-a-half-long cross-country trip aboard a group of his sleeping cars. Departing Boston on May 23, passengers were wined and dined in the sleeping cars until they arrived in San Francisco ten days later. Pullman, ever the publicist, brought reporters along in order to have the details of the transcontinental trip relayed to the public.

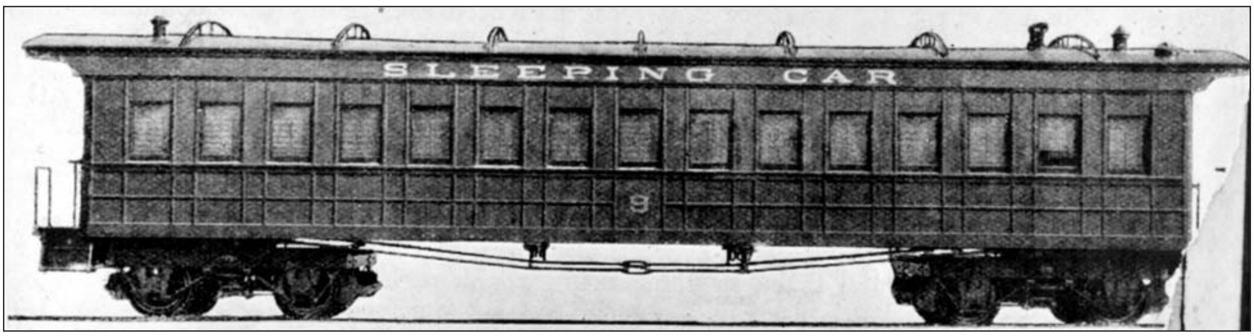
Pullman began planning a town for employees of the Palace Car Company with the intention of bettering his workforce. A progressive before progressivism became fashionable in the early twentieth century, Pullman sought to build a town where the environment would make his workers more suited to education and ethical behavior than to the alcohol and debauchery that marked many other factory communities. Located by Lake Calumet, just outside Chicago, the town of Pullman, Illinois, was purposely self-contained. It sat on approximately six square miles of land and eventually housed almost twelve thousand residents. In addition to the Palace Car factory and approximately eighteen hundred homes for workers, the town also had a library, a theater, and an arcade with various shops and outlets for goods and services. There were grocery and clothing stores, as well as a club where gentlemen could gather, read, and converse. One of the most prominent buildings was the Florence Hotel, which was the only place in town where alcohol could be purchased; by design, there were no saloons in Pullman, Illinois.

During the first years of the town's existence, Pullman enjoyed the world's adulation. Both the town and the man were praised for the moral benefits the workers appeared to be receiving. In time, however, the novelty of the town wore off, and Pullman began to be criticized as intensely as he had been lauded. When the Panic of 1893 sent the nation into an economic downtown, Pullman came to be despised by many of the very workers who had initially liked and admired him.

The economic woes of 1893 resulted in job cuts at the Pullman factory, as demand for his cars waned. Some employees were fired, and the salaries of the remaining workers were cut, but there was no corresponding reduction in workers' rents. Thus, the already struggling workers were forced to pay what they viewed as exorbitantly high rents during what would be the worst economic downturn in American history prior to the Great Depression. The following year, workers at the Pullman factory went on strike, which further eroded Pullman's reputation among his workers and the public.

LEGACY

Pullman died in 1897. He left his wife his Chicago estate on Prairie Avenue and $1.25 million. His two daughters received $1 million each, and his daughter Florence was bequeathed his summer home. His two sons were left lit-



George Mortimer Pullman's Pioneer sleeping car, introduced in 1865 at a cost of $20,000, set the standard for luxury rail travel. (Hulton Archive/Getty Images) tle because Pullman believed they were irresponsible. He left his two brothers and two sisters $50,000 each, and he bequeathed $1.2 million to build a manual trades school in Pullman, Illinois.

Pullman's luxurious sleeping car transformed the way the nation traveled, bringing refinement to what had been a bone-jarring experience. However, he was an inept manager of employee relations, seeming to turn a blind eye toward the plight of his workers during an economic crisis. His treatment of employees spurred the formation of workers' unions, convincing his employees and many members of the public that Pullman valued his money more than he valued the people whom he employed. Pullman's reputation for mistreating his workers was given greater credence after it became known that he not only refused to hear the workers' grievances before the 1894 strike but also left Chicago and went to his East Coast home during the strike. His conduct gave fodder to the newspapers, making it easy for them to represent him as a greedy capitalist who did not want to be bothered with the struggles of common people.

—*A. W. R. Hawkins*

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William Pulteney

British aristocrat and politician

Pulteney's wealth supported his controversial political career. Unlike many eighteenth century politicians dependent on the proceeds of public office, Pulteney was financially independent and able to chart a course of opposition to the British government.

Born: March 22, 1684; London, England
Died: July 7, 1764; London, England
Also known as: First Earl of Bath; Baron of Hedon; Viscount Pulteney of Wrington
Sources of wealth: Inheritance; real estate; government
Bequeathal of wealth: Relatives

Early Life

William Pulteney (PUHLT-nee), first earl of Bath, was born in 1684, the son of Colonel William Pulteney and his wife Mary Floyd. Pulteney came from a family of wealthy landed gentry who owned property in London. He was educated at Westminster School and Christ Church College of Oxford University, excelling both as a student and as an athlete. After leaving Oxford, Pulteney made the grand tour of Continental Europe that was a common practice among wealthy young male British aristocrats.

First Ventures

Much of Pulteney's political and financial career remains unknown because of his decision to have his papers burned after his death. In 1705, he entered the House of Commons as a member of the Whig Party under the patronage of Henry Guy, secretary to the Treasury. Guy had no close family and on his death in 1711, Pulteney inherited Guy's estate, including land in Middlesex and a large sum of cash. On December 27, 1714, Pulteney married Anna Maria Gumley, the daughter of John Gumley of

Isleworth, a rich cabinetmaker who gave Anna Maria a dowry of £6,000. The couple seem to have been happy, but like her husband Anna Maria was mocked for being both greedy and parsimonious.

In 1715, Pulteney's father died, and Pulteney inherited the family estates in London, primarily in Soho and Piccadilly. Pulteney launched an ambitious program of development around Great Pulteney Street in Soho and in the northern area of Piccadilly. He built a splendid mansion in Piccadilly, later known as Bath House, designed by architect Giacomo Leoni. The house was furnished expensively and in contemporary taste. It was demolished in 1821.

Mature Wealth

Pulteney initially was a close ally of the Whig politician Robert Walpole, fighting for Walpole's interests when a Tory administration sent Walpole to the Tower of London. When Walpole came to power in the 1720's, however, Pulteney did not receive the position of responsibility he wanted. Instead, he was given the profitable but powerless sinecure of cofferer of the royal household. By April, 1725, the conflict between Walpole and Pulteney was public, and Pulteney was dismissed from office.

As an opposition politician, Pulteney denounced Walpole in Parliament, wrote several pamphlets attacking the government, and collaborated with First Viscount Bolingbroke, who wrote letters attacking Walpole that were published in *Craftsman*, the leading opposition newspaper. Pulteney remained a Whig, but he worked with Tories like Bolingbroke as a united opposition. Although Pulteney came close to returning to power on two occasions, he never succeeded. However, he was raised to the peerage in 1742 as the earl of Bath.

In addition to developing his London real estate, Pulteney's immense wealth was spent on a variety of causes. He was a collector of plate and pictures, although not on the grand scale of the greatest English collectors. He sat for many portraits, including one painted by Sir Joshua Reynolds, the portrait painter of choice for the English elite. Pulteney was also a director of the Royal Academy of Music and a patron of the theater. He donated money for the construction of a hospital at Bath and a market cross at Hendon, and he chaired the committee that designed a new London Bridge.

Legacy

Pulteney's only son had died the year before Pulteney's own death, and the bulk of Pulteney's estate went to his brother and close intimate, General Harry Pulteney. In addition to land, it was estimated that Pulteney's personal estate was worth between £600,000 and £1.2 million. Many of Pulteney's friends and associates who hoped to be remembered in his will were disappointed. His greatest legacy is the development of a considerable portion of the West End of London.

—*William E. Burns*

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See also: Sir John Banks; James Craggs; Stephen Fox; Thomas Guy; First Duke of Marlborough.

Charles Rasp

German mining magnate

A German of Portuguese heritage, Rasp immigrated to Australia, where in the Outback he discovered a massive ore-bearing lode that enriched him personally and boosted the economy of his adopted country.

Born: October 7, 1846; Stuttgart, Württemberg (now in Germany)
Died: May 22, 1907; Adelaide, South Australia, Australia
Source of wealth: Mining
Bequeathal of wealth: Spouse

Early Life

Charles Rasp's grandfather was a Portuguese aristocrat and politician who was exiled in disgrace. Rasp's father, the private secretary to a German noble, accompanied his employer to Germany, married a German woman, and died in debt to the Rothschild banking firm. Charles was orphaned at age twelve and grew up with relatives in Paris. He was well educated in languages and science, and as a young man he worked in a Hamburg chemical plant. During the Franco-Prussian War, he served with the Royal Saxon Army but deserted, finding it expedient to adopt the surname of a friend killed in action.

First Ventures

Rasp arrived in Australia in the early 1870's. For a decade, he worked at a succession of jobs, including grape picking, mining, and sheep ranching. By 1883, he was employed as a boundary rider in the Outback. It was there that he noticed a strange formation called Broken Hill. Thinking it might be rich in minerals, he staked out a mining claim. Rasp and fellow employees formed the Syndicate of Seven to pool their money and purchase a sizable tract of land for exploration. In 1885, rich silver ore was discovered, leading Rasp and his partners to establish the Broken Hill Proprietary Company Limited (BHP), giving the company control of a major source of minerals.

Broken Hill proved to hold a mountain of valuable ores. Its vein was more than four miles long and more than 750 feet wide—the planet's greatest single source of silver, lead, and zinc. In its first year, BHP produced nearly £43,000 in ore, and the mine issued stock. In short order, BHP became Australia's largest company, stimulated tremendous economic growth throughout the country, and made Rasp a rich man.

Mature Wealth

In 1886, Rasp married German immigrant Agnes Klevesahl, who worked in an Adelaide restaurant. They bought a mansion in Adelaide called Willyama, the aboriginal name for his lucky strike, and the couple began enjoying the finer things of life. Within three years, Rasp had become a multimillionaire, and the dividends kept rolling in.

Besides part ownership in BHP, he held shares in and sat on the boards of several other companies. Charles added twelve rooms, including a French- and German-language library, to the luxurious residence where he and Agnes entertained often and opulently. They traveled far and wide. In 1897, the couple toured Japan, China, India, Africa, and Europe. Throughout 1900-1902, they saw the sights and hobnobbed with the cream of industry and aristocracy in England and on the European continent.

In Australia, Charles kept his hand in mining and commerce for the remainder of his life. He died of a heart attack before his sixtieth birthday, without ever telling anyone the truth about his mysterious past. Most of the money in his estate was left in his wife's name.

His widow Agnes returned to Europe with a large sum of money that she used to buy her way into high society. In 1913, an elderly German baron proposed to her, but he died before the wedding. The following year, Agnes married Count von Zedtwitz, but he was killed in World War I. Because Agnes stayed in Germany during the war, she was considered an enemy alien in Australia, and her Australian property was confiscated. When the war ended, Agnes moved to London before returning to Adelaide in 1921, eventually regaining her possessions. She died in 1936, leaving a sizable estate.

Legacy

Charles Rasp's discovery continued to produce minerals for more than a century, though mining operations eventually slowed. By 2009, Broken Hill had produced about two hundred million tons of ore, worth about $300 billion; an estimated one hundred million tons of ore remain to be exploited. In the twenty-first century, the boomtown of Broken Hill was a popular tourist destination. The former Rasp mansion, situated on acres of botanical gardens, was sold in 2006 for $6.4 million, the most expensive residential property ever sold in South Australia.

—Jack Ewing

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See also: Barney Barnato; Alfred Beit; Moritz Hochschild; Simón Iturri Patiño; Cecil Rhodes; José Tomás Urmeneta.

Sumner Redstone

American media and entertainment magnate

Redstone used his intelligence, drive, and unshakable resolve to become one of the richest men in the entertainment industry. He has allocated much of his wealth to philanthropic efforts for children, medical institutions, and other causes.

Born: May 27, 1923; Boston, Massachusetts
Also known as: Sumner Murray Redstone; Sumner Murray Rothstein (birth name)
Sources of wealth: Inheritance; media; entertainment industry; investments
Bequeathal of wealth: Children; relatives; charity

Early Life

Sumner Murray Redstone was born Sumner Murray Rothstein in Boston, Massachusetts, in 1923, the older of the two sons of Max and Belle Rothstein. The family lived in a tenement in the West End section of Boston, where Max had once sold newspapers and later linoleum to support his own family, his parents, and his wife's family.

Redstone attended James A. Garfield Intermediate School and became the top student in his class. He once was eliminated in a spelling bee, and he remembered the devastation of that failure for years. He was admitted to the prestigious Boston Latin School, and for six years he mingled with Boston's best students in an atmosphere of fierce, unrelenting competition. Redstone learned to always work at his highest level and graduated with the highest grade point average in the school's three-hundred-year history.

First Ventures

Redstone's outstanding accomplishments at Boston Latin School guaranteed his acceptance at Harvard University. He entered as Sumner Redstone, as his father officially changed the family name from Rothstein to Redstone. After his graduation from Harvard Law School, he married Phyllis Raphael, began a legal clerkship in San Francisco, and soon became a special assistant to U.S. Attorney General Tom C. Clark; in the latter position, Redstone argued cases involving hundreds of millions of dollars. Redstone's salary climbed to about $100,000 in 1954, but by this time his idealistic belief that he was a lawyer who was making a contribution to society had eroded, and he realized he was actually engaged in business.

He resigned and returned to Boston to work with his father. His father's company, Northeast Theater Corporation, built drive-in theaters for the exhibition of films. Redstone scouted prime locations and established a $50 million line of credit with the Bank of New England for the development of more theaters. Incensed by the fact that larger corporations were offered first choice of films, Redstone and his company, renamed National Amusements, filed a lawsuit in 1958 against eight major film studios, charging them with conspiracy to restrict trade. The case was settled in Redstone's favor before it went to the jury.

In the 1960's, Redstone began converting drive-ins to indoor theaters, and having originated the term "multiplex," he built a circuit of these venues. Redstone was elected chairman of the board of the National Association of Theater Owners, an organization that represented more than 80 percent of film exhibitors in the United States.

Mature Wealth

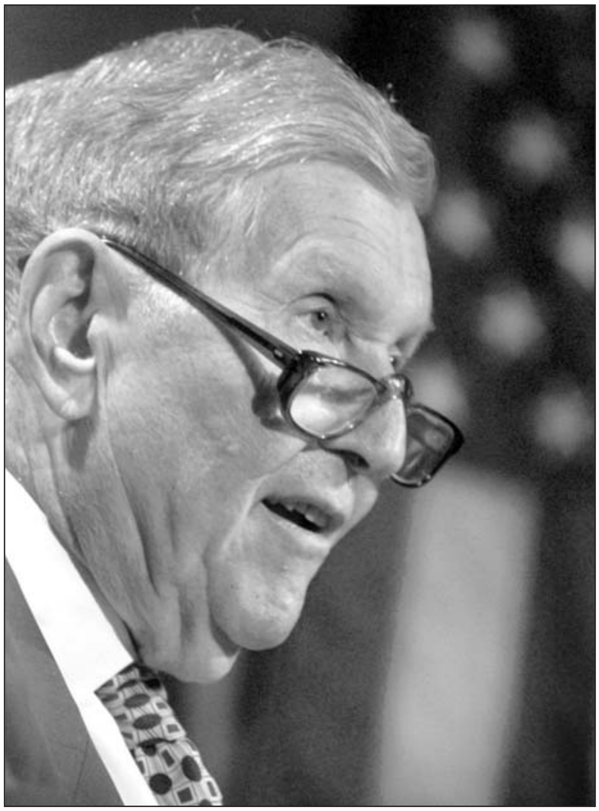
During the 1970's and 1980's, National Amusements was making money, but Redstone, seeking company growth, invested substantially in film studios, including the Walt Disney Studios and Twentieth Century-Fox. Believing cable television to be a threat to the exhibition of films, he set his sights on acquiring Viacom International, a company with holdings that included the Showtime cable television network; The Movie Channel; MTV (Music Video Television) Networks; five television stations, eight radio stations, eighteen cable television stations in seven states; Viacom Productions; Viacom Enterprises; and Viacom Worldwide. Owning 18.6 percent of Viacom, Redstone in 1987 initiated a six-month-long hostile takeover of this company. Three times he raised the amount of his initial bid, finally paying $3.4 billion to buy Viacom, an amount deemed excessive by almost all involved in the deal.

In 1989, despite lucrative returns from MTV and the syndication of *The Cosby Show*, Redstone alleged that HBO (Home Box Office), a cable pay-television network, was intimidating cable operators and Hollywood studios to obtain preferential treatment over his competing cable pay-television network, Showtime. At the time, Time Warner controlled 65 percent of the pay-television market. After warning Time Warner of his intentions, and against the advice of his colleagues, Redstone filed a $2.4 billion suit against Time Warner, alleging that the company had conspired to monopolize the pay-television business in the United States. After the litigation dragged on for years, Time Warner capitulated, and the lawsuit was settled in Redstone's favor.

By 1993, Redstone's empire was thriving, and Viacom was worth $5.5 billion. However, Redstone was determined to buy Paramount Pictures, which would complete his dream to create the number-one software-driven media company in the world. Paramount's parent company, Paramount Communications, owned Paramount's motion-picture and television production operations; a library of 890 films; five Paramount theme parks; more than one thousand film screens; Famous Music, a publisher that owned the copyrights to the music featured in many films; book publishers Simon & Schuster, Prentice-Hall, Macmillan, Scribner, and Pocket Books; Madison Square Garden; the New York Rangers and New York Knicks sports teams; cable's MSG (Madison Square Garden) Network; and seven television networks in the United States—in addition to being the co-owner of USA Networks.

Following endless negotiations with unreliable bidders, Redstone, who had been forced to raise his initial purchase price, announced Viacom's acquisition of Paramount. However, a few days later, in an attempt to break up the deal, Barry Diller, one of the owners of the QVC cable shopping network, countered with an offer of $2 billion more than Redstone's and said his offer had been accepted by Viacom before Redstone had announced his acquisition. Meanwhile, Tele-Communications, Inc. (TCI), a cable television provider, had refused to provide access to Redstone's Showtime networks, and Redstone filed a lawsuit accusing TCI of monopoly that was settled by the U.S. Justice Department. As Redstone was attempting to purchase Blockbuster Entertainment Corporation, a chain of video stores, in order to finance the acquisition of Paramount, Diller and QVC filed a lawsuit to challenge the methods by which Redstone sought to obtain Paramount. Diller eventually won the case. However, Redstone persevered, and while fending off both Diller and H. Wayne Huizenga, the owner of Blockbuster, he finally acquired both Paramount and Blockbuster.

Redstone spent a great deal of his time at Paramount making sure that all of the corporation's divisions functioned smoothly. He replaced the chief executive officer of Simon & Schuster and sold Madison Square Garden for more than $1 billion. He traveled to Europe to negotiate Paramount licensing agreements in Germany for $2 billion and later transacted a deal in France. In 1997, Blockbuster was experiencing a financial crisis that required Redstone's personal intervention. He installed a new chief executive officer, who devised a revenue-



Sumner Redstone. (AP/Wide World Photos)

Sumner M. Redstone Charitable Foundation

A burn victim and a survivor of the Boston Copley Plaza Hotel fire in 1979, Sumner Redstone has been a generous contributor to medical causes. About a year after the fire, he donated several million dollars to the Massachusetts General Hospital Burn Center, the facility at which he was treated after the hotel fire; Redstone had received this sum in the lawsuit he had filed against the Copley Plaza. Redstone had previously founded the Sumner M. Redstone Burn Center at the hospital in 1974. In 2007, he agreed to provide $35 million to enable the hospital to establish the Sumner M. Redstone Burn and Trauma Service and the Sumner M. Redstone Emergency Department, which is dedicated to streamlining emergency care.

In 2007, Redstone donated another $35 million to expand The Research Acceleration and Innovation Network (TRAIN), a program operated by FasterCures, a Washington, D.C.-based group that seeks to coordinate the efforts of more than twenty nonprofit disease research organizations. TRAIN works to cure such diseases as breast, prostate, and brain cancer; the human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS); Alzheimer's disease; diabetes; and Parkinson's disease. Redstone's grant enabled TRAIN to work with additional disease research organizations and to improve the implementation of research practices. In honor of its benefactor, the organization was renamed The Redstone Acceleration and Innovation Network (also abbreviated as TRAIN).

Also in 2007, the Sumner M. Redstone Charitable Foundation acknowledged the diagnostic and treatment abilities of Cedars-Sinai Prostate Center in Los Angeles with a $35 million cash contribution to support a six-year National Prostate Cancer Study aimed at developing new treatments for cancer patients. Specifically, Redstone's gift allowed the center to expand its laboratory research and clinical trials.

Redstone's charitable foundation in 2007 provided a $500,000 grant to the Cambodian Children's Fund, a nonprofit organization that seeks to provide health and educational services to children in Phnom Penh, Cambodia. Redstone's grant will be used to construct the Sumner M. Redstone Child Rescue Center, an independent facility that will house one hundred of Phnom Penh's most impoverished and abused children from the ages of five to sixteen. Redstone also announced plans to build a large child development center in Cambodia.

Additional recipients of contributions from Redstone and the Sumner M. Redstone Charitable Foundation include the American Cancer Society, Boston Museum of Fine Arts, Dana-Farber Cancer Institute, Combined Jewish Philanthropies of Greater Boston, Will Rogers Memorial Fund, and Children's Cancer Research Foundation.

sharing plan that Redstone implemented, and this plan eventually restored Blockbuster's economic stability.

In 1997, after the Federal Communications Commission adopted new regulations that allowed one company to own no more than two television stations, executives at CBS (Columbia Broadcasting System) Corporation made an overture to Redstone about a possible merger of CBS and Viacom. Redstone agreed, provided he could control the merged company and Mel Karmazin, CBS's president and chief executive officer, could assume the position of chief operating officer. In 2000, Viacom purchased CBS for $37.3 billion; in 2005, the two corporations were split into separate companies, with Redstone remaining chair of both firms.

By 2005, Viacom's holdings had been substantially reduced, with the company consisting of MTV Networks, BET Networks, and Paramount Pictures; in that same year, Paramount Pictures purchased DreamWorks SKG, a film studio, for $1.6 billion. In 2006, Redstone stepped down from chief executive officer positions at Viacom and CBS, naming Les Moonves the chief executive officer of CBS and Tom Freston as chief executive officer of Viacom; Freston was subsequently replaced by Redstone's longtime associate Philippe Dauman.

In 2007, *Forbes* magazine estimated Redstone's net worth at $8 billion, ranking him eighty-sixth on the magazine's list of the world's richest billionaires. In 2009, *Forbes* estimated that his wealth had shrunk to about $2 billion, but the following year the magazine listed his net worth as increasing to $2.4 billion. Although Redstone's two marriages ended in divorce, his daughter, Shari Redstone, one of two children from his first marriage, has assumed many leadership positions in her father's company and is in line to succeed him when he retires. Redstone has secured all of his stock in irrevocable trusts designated for his grandchildren.

Legacy

The accomplishments of Sumner Redstone in his rise from a child of poor, hardworking Jewish Americans to the head of one of the world's largest media empires are testaments to his strength of character. Certainly, his success can be attributed to his close relationships with his uneducated, but smart, ambitious father and with his mother, who always demanded his best efforts. Redstone also had an excellent education and an intelligence that enabled him to navigate the business world, while avoiding many of its pitfalls. However, Redstone's most outstanding attributes are his gritty determination and strength of will. From the fierce competition of his early schooling to the later tenacity with which he clung to the ledge of a third-story window at a burning hotel, when his own body was more than half burned, Redstone has exhibited an unshakeable resolve. His formidable business maneuvers, his notoriously litigious inclinations to protect his property, and his refusal to be intimidated by anyone, all signify an individual whose unwillingness to give up is his greatest legacy.

—*Mary Hurd*

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See also: Walt Disney; David Geffen; John Kluge; Rupert Murdoch; Steven Spielberg; Ted Turner; Oprah Winfrey.

Cecil Rhodes

British mining magnate, landowner, and politician

Rhodes gained control of vast deposits of diamonds and gold and acquired huge tracts of land throughout southern Africa, from which he developed a sizable fortune. He used his wealth to establish the Rhodes Trust, through which the Rhodes Scholarship is administered.

Born: July 5, 1853; Bishop's Stortford, Hertfordshire, England
Died: March 26, 1902; Muizenberg, Cape Colony (now in South Africa)
Also known as: Cecil John Rhodes
Sources of wealth: Mining; real estate
Bequeathal of wealth: Relatives; friends; scholarship

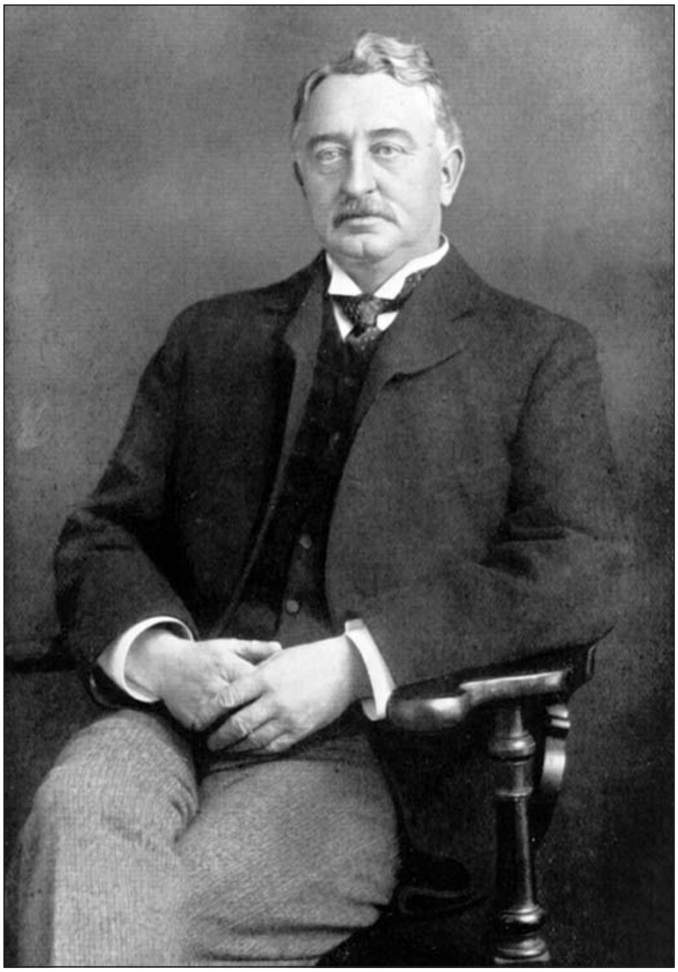
Early Life

Cecil John Rhodes (rohdz) was born to a country cleric, Francis Rhodes, and his second wife, Louisa Peacock Rhodes, and was part of a family of nine children raised in Bishop's Stortford, Hertfordshire, England. He attended the local grammar school and seemed to have a normal middle-class Victorian upbringing. Rhodes was described as a "delicate" child. When he was seventeen, he was sent to his brother Herbert's two-hundred-acre cotton farm in Natal in southern Africa in the belief that the climate would be good for him. Up to this point in his life, Cecil had not demonstrated any hints of the relentless ambition and drive that would characterize his later career.

First Ventures

Herbert had mismanaged his farm, and Cecil was left to take care of the farm while Herbert went into the interior of Africa in search of diamonds. Cecil began expanding the area under cultivation and applied scientific methods to produce cotton. In October, 1871, Cecil left the cotton farm and traveled some four hundred miles into the interior to the sites of significant diamond finds. Tens of thousands of fortune hunters had already congregated there.

Herbert and Cecil's brother Frank worked the diamond claims, and Cecil formed lifelong associations with Charles Dunell Rudd and John X. Merriman. Cecil was already demonstrating a solid work ethic and entrepreneurial spirit as he became involved in making ice, supplying and pumping water, and purchasing shares in a railway. After suffering and recovering from what is usually described as a "heart attack" in 1872, Cecil traveled with Herbert for eight months farther north into remote parts of Africa. Cecil returned to England in 1873 because of his mother's ill health and to enroll in Oriel College, Oxford. He would later return to England to continue his education between 1876 and 1878.



Cecil Rhodes. (Library of Congress)

Mature Wealth

By his early twenties, Cecil Rhodes had accumulated wealth by virtue of his hard work in the diamond fields. As he matured he would increase that wealth through business deals, partnerships, fortuitous circumstances, and ruthlessness. Shortly before Rhodes left for England in 1873, an economic depression hit the mines. A combination of local natural disasters, the crash of Austria's stock market, and the exhaustion of easily accessible diamonds in the "yellow soil" forced many miners to sell their claims cheaply. Rhodes and his brothers bought claims and worked deeper into the hard "blue soil," which actually contained more diamonds. Diamond mining became a large-scale enterprise as more miners sold out, regulations limiting the number of claims held by any one group were abrogated, and blacks were barred from holding claims.

While at Oxford in June, 1877, Rhodes drafted his "Confession of Faith" in which he speculated about the creation of a secret society through which the British Empire might expand and incorporate the "uncivilized world" under British rule. This confession, along with a last will and testament modified several times, became the basis for the famous Rhodes Scholarship program.

In April, 1880, one of the most significant developments in Rhodes's career occurred when he, Rudd, and several other claim holders created the De Beers Mining Company, Ltd. Additional partners joined the firm the following year, and the company's capital was increased. This company eventually supplied 90 percent of the world's diamonds, becoming one of the world's most successful monopolies. In 1881, Rhodes was elected to the Cape Colony Parliament, the beginning of a political career that he used to protect and advance his finances, especially through his support of the Diamond Trade Act, which was designed to curb diamond smuggling and control black laborers.

The next phase of Rhodes's life focused on gaining control of territory north of the Orange Free State and the Transvaal in order to secure a steady supply of black labor and additional sources of diamonds and gold. By 1885, Rhodes's efforts, backed by the British government fearful of expansion by Germany and the Transvaal state, added the Bechuanaland Protectorate (now Botswana) to the British Empire. Rhodes continued to conduct his diamond mining business, but he had stiff competition, notably from a Jewish man from London, Barney Barnato, who had large holdings in the Kimberley Diamond Mines and whose wealth eclipsed that of

Rhodes several times over. In 1887, the two men would battle for control of the diamond industry.

In 1886, news that the largest gold deposit in the world was discovered in Witwatersrand alerted Rhodes to another source of potential wealth. However, he attained only modest profit from this goldfield because he was cautious in pursuing claims, was distracted by his male secretary's ill health, and had difficulty managing both his diamond mines and his goldfields. He did establish the Gold Fields Company of South Africa.

In March, 1888, a new company, De Beers Consolidated Mines, Ltd., was created with Barnato as its governor and largest shareholder. Rhodes was given the tools with which to build an empire: control of transportation networks and the ability to raise troops and acquire additional territory. Other competitors in the diamond business were absorbed into the new company. In 1888, Rhodes's agent George Rudd negotiated a treaty, the Rudd Concession, with Lobengula, chief of the Matabele people, which gave Rhodes control over massive tracts of land that would later be known as Northern Rhodesia (now Zambia) and Southern Rhodesia (now Zimbabwe) in return for a payment of £100 a month, one thousand rifles with ammunition, and a steamboat on the Zambesi River. A small military force sent by Rhodes in 1890 took control of Fort Salisbury (now Harare, Zimbabwe), and in 1893, the Matabele people were brutally suppressed.

Rhodes served as prime minister of Cape Colony from 1890 to 1896, and he purchased Groote Schuur as his residence in 1891. Groote Schuur served as the official residence of leaders of the Cape Colony, Union of South Africa, and the Republic of South Africa until South African president Nelson Mandela refused to use the home. As prime minister, Rhodes saw no conflict of interest in using his position to propose and support legislation that would benefit his businesses and personal finances. He sponsored agricultural projects, banking reform, improvements to education, and the Glen Grey Act (1894), which regulated relations between blacks and whites, limited the size of black landholding and rights of inheritance, and instituted a "labor tax" to try to force blacks to work for whites. Rhodes's political career

Rhodes Scholarships

Although Cecil Rhodes did not engage in scholarly activity or athletics or make important connections while at Oriel College, Oxford, he included such requirements for the students selected as Rhodes Scholars. The Rhodes Scholarship program was deeply rooted in his belief that an elite group of English-speaking people should be educated in order to perpetuate and run the British Empire.

The provisions for the scholarship program were set forth and modified throughout the seven wills Rhodes executed. Scholarships were to be awarded to fourteen "constituencies" from within the British Empire, the United States, and the German empire. Of the original fifty-two scholarships, the United States was allocated thirty-two, and that number has remained unchanged. Germany was to have five scholars selected by the kaiser, and the remaining recipients were to be chosen from "colonies" within the British Empire. Since Rhodes's death, forty more scholarships have been added. Scholarships are normally granted for two or three years, depending upon the degree program pursued by the recipient.

The original criteria for selecting scholars were success in "literary and scholastic" achievements; participation in sports; qualities of honesty, courage, duty, concern for the underprivileged, and selflessness; and characteristics of morality and leadership. Over the years, more than seven thousand scholars have been selected. Women were included in the program in 1977. German scholars were excluded during the two world wars and immediate postwar periods, and Hong Kong was barred from 1997 through 2006.

The first trustees' meeting was held on May 5, 1902. George Parker of Canada, the group's organizing secretary, essentially established the program by determining selection criteria and arranging for colleges to enroll Rhodes Scholars. In the early years, trustees disagreed about candidates' race and religion, the problems created when candidates moved to another country in order to be selected, finding qualified candidates in some constituencies, the weight to be given athletics as a scholarship criterion, and candidates' lack of preparation in Greek and Latin. For the most part, these disagreements were resolved.

Perhaps the most thoroughgoing change in the program was the creation of the Mandela-Rhodes Foundation linking Nelson Mandela, the first black president of South Africa, with the Rhodes Foundation in order to allocate funds from the Rhodes Trust for the education of South African students. The new foundation, created in 2001, also sought to facilitate the process of racial reconciliation in postapartheid South Africa.

In February, 2003, a celebration was held in Cape Town, South Africa, to mark the one-hundredth anniversary of the program. The attendees included Mandela, former U.S. President and Rhodes Scholar Bill Clinton, and British prime minister Tony Blair.

ended with his sponsorship of the Jameson Raid (1895-1896), an attempt to overthrow the Transvaal government of Paul Kruger. The raid's failure forced his resignation. Rhodes died in 1902, during the last year of the Boer War (1899-1902). His estate was worth about £5 million.

Legacy

Rhodes's entrepreneurial activities and political machinations helped develop areas of southern Africa that would later become the the Republic of South Africa, Botswana, Zimbabwe, and Zambia. He was an ardent supporter of British imperialism. The diamond and gold deposits that he and others developed and exploited continued to form the backbone of South Africa's economy into the twenty-first century. His labor policies at the mines, reinforced by laws such as the Glen Grey Act, helped establish racial segregation and discrimination before apartheid became South Africa's official policy.

Aside from a few personal bequests to relatives and staff, the bulk of Rhodes's wealth was used to establish the Rhodes Scholarship program, which in the twenty-first century remained one of the most prestigious scholarships, attracting well-qualified students from numerous countries.

—*Mark C. Herman*

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See also: Barney Barnato; Alfred Beit.

Sid W. Richardson

American oil magnate and businessman

Richardson was one of a handful of powerful and influential Texas businessmen of the first half of the twentieth century who served as prototypes for an icon of popular culture, the Texas oil or cattle baron, as represented by Bick Benedict in Edna Ferber's novel Giant *and J. R. Ewing in the television series* Dallas.

Born: May 25, 1891; Athens, Texas
Died: September 30, 1959; St. Joseph Island, off the coast of Rockport, Texas
Also known as: Sid Williams Richardson; Bachelor Billionaire
Sources of wealth: Oil; ranching
Bequeathal of wealth: Relatives; friends; charity

Early Life

Sid Williams Richardson was born in the small east Texas town of Athens in 1891, the son of Nancy and John Isidore Richardson. His skill in business was made manifest early in his life. While still a high school student in Athens, he managed to earn almost $4,000, a large sum for this time, by buying and trading cattle. He tried to obtain a higher education, first at Baylor University and then at Simmons College, but he spent little more than three semesters in college, and he never obtained a degree.

First Ventures

After dropping out of college, Richardson took a number of jobs involving the oil trade. He was a scout for oil properties, a buyer of leases for oil companies, and a salesman for a company that manufactured and sold equipment for oil wells. By 1919, he had established his own oil company in Fort Worth, Texas, in partnership with a lifelong business associate and friend, Clint Murchison, Sr. The Richardson-Murchison partnership prospered in the early 1920's, garnering the two more than $1 million, but this fortune was soon dissipated during subsequent downturns in the oil market in the later years of the decade.

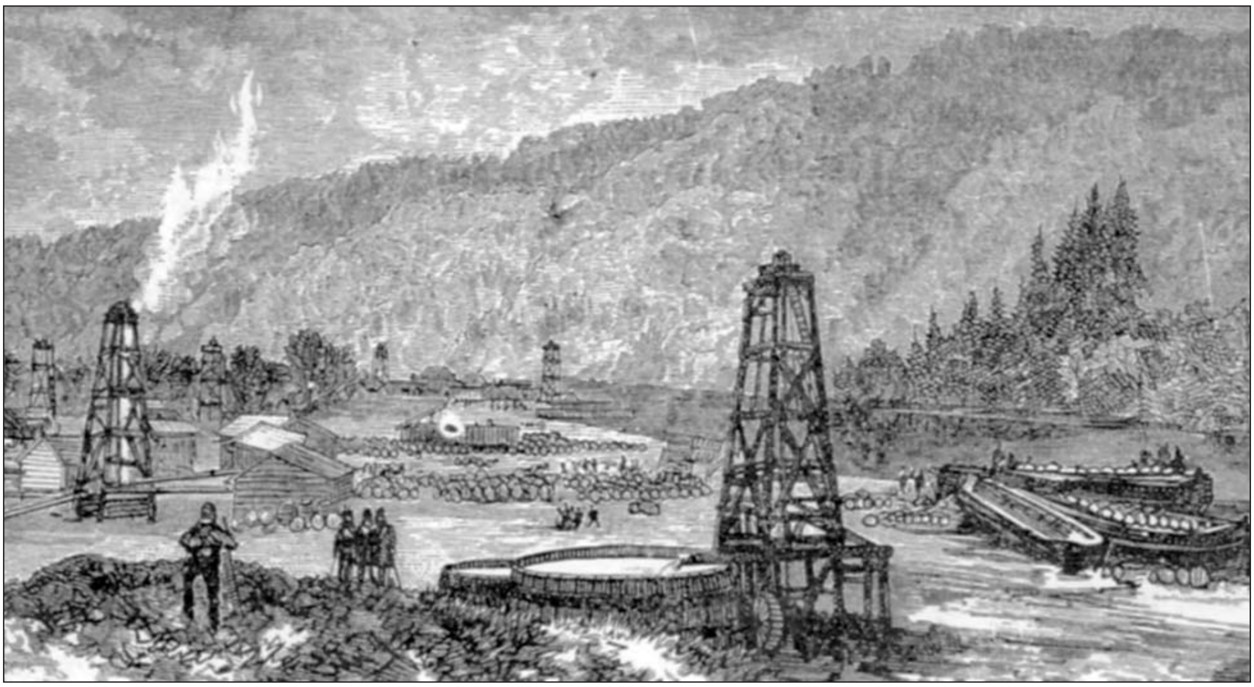
Richardson worked primarily as a wildcatter, a combination oil-field scout and land speculator, traveling around Texas buying up land that might contain petroleum reserves. His canniness as a wildcatter was proven and his fortune assured in the mid-1930's, when, with the assistance of Murchison and other financial supporters, he was able to lay claim to the Keystone oil field near Wink in West Texas, which turned out to be one of the most productive fields in the state, eventually yielding more than 100 million barrels of oil. By the early 1940's, Richardson was operating more than a hundred wells in various counties in West Texas.

Mature Wealth

After his success with the Keystone oil field venture, Richardson's fortunes never again ebbed, as he began to assemble a vast network of businesses. Fort Worth would remain his base of operations throughout his life, and two of his most important corporations had their headquarters there: Sid W. Richardson, Inc., and Richardson and Bass, Oil Producers, in which he had gone into partnership with his nephew, Perry Richardson Bass. Nevertheless, he maintained diverse enterprises in other parts of the state. For example, in southeast Texas he owned a refining company in Texas City, and in West Texas he set up the Sid Richardson Carbon Company in Odessa and the Sid Richardson Gasoline Company in Kermit.

In addition to his petroleum-related enterprises, he maintained several ranches in Texas and Oklahoma on which he raised quarter horses and, in a reflection of his first success as a teenaged entrepreneur, Santa Gertrudis cattle. However, Richardson's business and personal interests included much more than petroleum products and ranch animals. For example, with his partner Murchison and another Texas millionaire, Robert Ralph Young, he bought the New York Central Railroad in 1954. The three men spent approximately $20 million buying up almost 900,000 shares of the railway system. Another business venture that was unrelated to cattle and oil was the Texas State Network, one of the earliest television companies in the Lone Star State.

During World War II, Richardson began to take a serious interest in art, especially art depicting Texas and life in the American Southwest. Among the artists who he felt best provided iconic images of both the romance and



Early oil wells in Pennsylvania, where Edwin Drake drilled an oil well in 1859. Other American entrepreneurs would follow in his footsteps, creating a boom in commercial oil drilling. (C. A. Nichols & Company)

Great Wealth and Oil

The ancient Chinese and the medieval Persians mined oil, and oil was used in lamps as far back as the sixteenth century in parts of Persia and Eastern Europe. However, dealers in petroleum products began to achieve great riches only in the latter half of the nineteenth century. In fact, one of the founding fathers of the oil industry, the Canadian physician Abraham Pineo Gesner, who discovered how to refine kerosene from oil in 1849, at one time had to open his laboratory to the public as a museum in order to pay his bills.

The first petroleum entrepreneur in the United States, Edwin Drake of Pennsylvania, drilled the nation's first oil well. However, Drake neither patented his drilling innovations nor invested wisely, and he ended up living on a state pension. The first true oil magnate was the Pole, Ignacy Łukasiewicz, who drilled the first oil well in Europe in 1854 near the town of Bóbrka in Galicia (now in Ukraine). He was in many ways the prototype for the later oil barons of North America. His well and refineries earned him a vast fortune, much of which he spent on philanthropic projects, such as public spas, churches, and democratic political organizations. After Michael A. Dietz invented a kerosene-fueled lamp in 1857, the need for oil skyrocketed, and oil speculators profited across North America, especially in Pennsylvania and California. The demand for oil declined after Thomas Edison invented the lightbulb in 1878, and oil profits ebbed drastically.

However, after Carl Benz and Gottlieb Daimler independently conceived and manufactured the first automobiles in the last decades of the nineteenth century, oil and oil products soon became a source of great wealth. Beginning at this time, significant oil fields were discovered in various parts of the United States, especially in Texas. In this state the most successful and colorful wildcatters, such as Sid W. Richardson and H. L. Hunt, rose to prominence. Despite their excesses and foibles, these men were reminiscent of Łukasiewicz; their philanthropy and community involvement accompanied their vast petroleum wealth.

However, wealth derived from oil does not always yield benevolent outcomes for the societies in which oil magnates operate. When oil was discovered in Persian Gulf nations in the early twentieth century, most of the money went into the coffers of the kings and princes who owned the lands on which the oil was found, not into the hands of upstart entrepreneurs like Łukasiewicz and Richardson. The Persian Gulf autocrats tended to spend their money on themselves, often squirreling it away in bank accounts in other countries. As financial commentator Michael Moynihan stated about petroleum-fueled prosperity on a national level, "Oil wealth always tends to contain the seeds of its own destruction," citing, among other examples, Russia and Iran. In these nations, the millions of dollars obtained from oil seem to have done little to improve the lives of the citizens. Instead, petroleum-related wealth has furthered political corruption and detracted attention from other formerly prosperous economic ventures.

reality of the Old West were Frederic Remington, Charles Russell, and Frank Tenney Johnson. Throughout the 1940's, Bertram Newhouse, a prominent New York gallery owner, helped Richardson acquire a large collection of the works of these and similar painters. After Richardson's death, his collection was eventually housed in the Sid Richardson Museum in the Historic Sundance Square area in Fort Worth, where it draws some fifty thousand visitors a year.

In 1947, Richardson set up the Sid W. Richardson Foundation, which issues substantial grants annually to Texas applicants in the fields of education, medicine, the arts, and human services.

Although Richardson never formally entered political life, like many wealthy people he nevertheless had an effect on government. A Democrat, he was a friend of President Franklin D. Roosevelt and served as an unofficial adviser to him in matters pertaining to the petroleum industry throughout World War II. He was also a friend of President Dwight D. Eisenhower and may have been responsible for Eisenhower's appointing a friend of Richardson, another oilman, Robert B. Anderson, as secretary of the Navy, a position that later led to his becoming secretary of the Treasury. Richardson was also friendly with Sam Rayburn, the Speaker of the House of Representatives; President Lyndon B. Johnson; and J. Edgar Hoover, director of the Federal Bureau of Investigation (FBI). Hoover regularly visited Richardson and his business partner Murchison in Fort Worth.

Richardson's immense wealth allowed him to indulge in an iconic act of luxury. In 1936, he purchased his own island, St. Joseph Island (also called San Jose), off the coast of the Texas seaport town of Rockport. Although Fort Worth remained the base of much of his professional life, Richardson lived on St. Joseph for the rest of his life, dying in his home there of heart failure in 1959. At the time of his death, his wealth was estimated at around $800 million.

Legacy

Sid W. Richardson's legacy is manifold. As a businessman, he did much to further the development of the petroleum industry in the United States, in the process enriching his own coffers immensely and earning himself the nickname Bachelor Billionaire. As a philanthropist, his contributions to educational and cultural organizations were frequent and generous. Within his home state, buildings on at least five college campuses bear his name in remembrance of the donations and funding he provided—the University of Texas; Rice, Baylor, and Texas Christian Universities; and Austin College. On a folkloric level, Richardson provides an avatar of an archetypal Texan character—the wildcatter who through sheer pluck and determination rises from humble, small-town origins to become a millionaire many times over.

—*Thomas Du Bose*

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See also: Robert Bass; Hugh Roy Cullen; J. Paul Getty; Armand Hammer; H. L. Hunt; George B. Kaiser; Richard King; Clint Murchison, Sr.; Joseph Pew; T. Boone Pickens; Harry F. Sinclair.

Abby Aldrich Rockefeller

American art collector, museum founder, and philanthropist

Rockefeller was a major collector of French and American art who cofounded and donated some of her collection to the Museum of Modern Art. She also initiated a unique collection of American folk art that would later be housed in the Abby Aldrich Rockefeller Folk Art Museum in Williamsburg, Virginia.

Born: October 26, 1874; Providence, Rhode Island
Died: April 5, 1948; New York, New York
Also known as: Abby Greene Aldrich (birth name)
Sources of wealth: Inheritance; marriage
Bequeathal of wealth: Relatives; museum; artistic patronage

Early Life

Abby Greene Aldrich Rockefeller (RAW-keh-fehl-luhr) was born in Providence, Rhode Island, the third of eight children of Nelson Wilmarth Aldrich, a businessman who later became a U.S. senator, and Abby Chapman Aldrich. She was educated by a private teacher at home and then attended Miss Abbott's School in Providence, graduating in 1893. As a debutante, she traveled frequently in the United States and Europe, often accompanying her father, who stimulated her interests in art collecting and public affairs.

Abby Greene Aldrich was married to John D. Rockefeller, Jr., son of John D. Rockefeller, the founder of

Standard Oil Company, on October 9, 1901, following a long courtship that began when the younger Rockefeller was an undergraduate at Brown University. This marriage of two vastly different personalities was a successful union of his reserved personality and her more engaging and impulsive temperament. They had six children, and all whom were involved in the family's philanthropic activities.

First Ventures

As the daughter-in-law of John D. Rockefeller, Sr., and wife of his only son and heir, Abby Rockefeller learned the significance of the family's charities, especially after her husband decided to focus his life on philanthropy instead of being an executive at Standard Oil, the company that was the major source of the Rockefellers' wealth. She was an active participant in the Young Women's Christian Association (YWCA), and she founded the Good Fellowship Council, a neighborhood association that included representatives from many of the immigrant and minority groups on New York City's East Side.

Mature Wealth

As her children grew older, much of the Rockefeller fortune was directed to philanthropies that were often the initiatives of others, such as Rockefeller aides Abraham Flexner, Simon Flexner, and Frederick T. Gates. This enormous wealth impacted Abby Rockefeller's life. Along with the management of several homes, including a nine-story house on Fifty-fourth Street in New York City (later the first permanent home of the Museum of Modern Art) and estates in Pocantico Hills, New York, and Seal Harbor, Maine, Rockefeller was involved in several social welfare causes, including the Girl Scouts and the American Red Cross. She planned and organized a model home and community center project for Standard Oil employees in Bayway, New Jersey, site of the company's headquarters; helped to build and furnish International House, a dormitory and social center for American and foreign students near Columbia University; and encouraged the housing and community service efforts of the YWCA during World War I. During World War II, with four

Museum of Modern Art

The Museum of Modern Art (MOMA) in New York City was very likely the result of John D. Rockefeller, Jr.'s, discomfort with modern art. Sensitive to this aspect of her husband's character, Abby Aldrich Rockefeller commissioned architect Donald Desk to create a private gallery on the seventh floor of her Fifty-fourth Street mansion, where she was able to arrange continually changing exhibitions that enabled family and friends to view modern art, many for the first time. From this small gallery, Rockefeller decided to make her collection available to the public.

In May,1929, she met with two progressive and influential patrons of the arts, Lillie P. Bliss and Mary Quinn Sullivan, to explore the possibility of establishing an institution devoted exclusively to modern art that would also challenge the conservative policies of traditional museums. MOMA opened in 1929. Conger Goodyear was the first president, and Albert H. Barr, Jr., was the first director, but Rockefeller remained the catalyst for the museum.

The museum initially displayed works from both American and European artists, with an emphasis on drawings, prints, and watercolors. By 1940, Rockefeller had given most of her private collection to MOMA, including works by American artists Peter Blume, Preston Dickinson, Walt Kuhn, and Charles Sheeler and by such European artists as Pablo Picasso, Aimed Modigliani, and Henri Matisse. The public's response was quite enthusiastic. Over the next ten years, MOMA moved three times into progressively larger temporary quarters, and in 1939 finally opened the doors of the building it continues to occupy in midtown Manhattan, the gift of John D. Rockefeller, Jr. Subsequent expansions by the architect Philip Johnson took place during the 1950's and 1960's. (Johnson also designed the Abby Aldrich Rockefeller Garden in Seal Harbor, Maine.) In 1984, a major renovation designed by architect Cesar Pelli doubled the museum's gallery space and enhanced visitor facilities.

The rich and varied collection of the museum provides one of the most comprehensive and panoramic views of modern art and includes more than 150,000 paintings, sculptures, drawings, prints, photographs, architectural models and drawings, design objects, approximately twenty-two thousand films, and four million film stills. In 2004, MOMA completed the largest and most ambitious building project in its history, nearly doubling its space for exhibitions and programs with 630,000 square feet of new and redesigned space. As the result of this project, the Peggy and David Rockefeller Building housed the main exhibition galleries. The Lewis B. and Dorothy Cullman Education and Research Building provided more than five times more space for classrooms, auditoriums, teacher training workshops, and an expanded library and archives. It is considered one of the premier research facilities of its kind in the world, with more than 300,000 books, periodicals, and extensive individual files on more than seventy thousand artists. These two buildings frame the enlarged Abby Aldrich Rockefeller Sculpture Garden.

sons either on active duty or in government work, Rockefeller entertained servicemen, helped the United Service Organizations (USO), and worked with planners of veterans' rehabilitation centers.

Her most important philanthropic contribution grew out of her fascination with art. Her personal art collection, composed primarily of drawings and watercolors and purchased almost entirely with her own funds, initially consisted of works of European and Chinese art. After 1920, she began collecting work by American artists. This interest eventually led to Rockefeller's most demanding project: the founding of the Museum of Modern Art (MOMA) with art collectors Lillie P. Bliss and Mary Quinn Sullivan. The idea to create a new museum was first proposed during a luncheon meeting of the three women in May, 1929, when they decided to appoint a committee to raise the necessary funds and recruit museum staff. As the moving spirit behind the creation of this now internationally recognized art museum, Rockefeller is considered one of a small number of founders in the field of museum patronage, and her activities helped stimulate investment in the works of living artists. In her efforts to develop MOMA, Rockefeller served as its treasurer, first vice president, and vice chairman of the board, and she donated more than 2,000 art objects from her personal collection to the museum, including some 190 paintings and 1,600 prints.

She also donated a good part of her art collection to colleges throughout the East in order to educate future patrons. With her son Nelson A. Rockefeller, she established an unrestricted purchase fund for MOMA, deliberately remaining neutral in acquisition decisions so she would not impose her personal tastes in art on the museum staff. During the Depression, she commissioned works by American artists, such as Charles Sheeler and Ben Shahn. With her husband, she was involved in the restoration of colonial Williamsburg, Virginia, where in 1935 she initiated an American folk art collection. Her collection, which included favorite paintings, carved animals, and dolls, later was exhibited at the Abby Aldrich Rockefeller Folk Art Museum in Williamsburg.

Mrs. Rockefeller died in New York City at the age of seventy-three. She was cremated and her ashes were buried in the family plot at Sleepy Hollow Cemetery, Tarrytown, New York. Her estate, including her art collection, was appraised at $1,156, 296. Although she had already given most of her art collection and the bulk of her assets to MOMA, she bequeathed four major works (two by Georges Seurat and two by Vincent van Gogh) to MOMA for fifty years, after which the Seurats would go to the Art Institute of Chicago and the van Goghs would remain at MOMA. Her Oriental miniatures were donated to the Fogg Art Museum at Harvard University. Rockefeller's entire residuary estate of $850,848, minus estate taxes of approximately $150,000, was given to MOMA.

In the 1950's, Rockefeller's son Nelson, who was involved in MOMA from the earliest meetings of the planning committee, was the museum's president. Her husband John D. Rockefeller, Jr., in 1952 gave forty thousand shares of stock in the International Basic Economy Corporation, then worth $4 million, to MOMA's endowment fund. John also financed construction of the Abby Aldrich Rockefeller Folk Art Museum.

Legacy

Abby Aldrich Rockefeller combined her love of art with philanthropy and a strong family life. In her philanthropic work, she engaged in actual contact with those she helped, providing a human element in her projects. The organizations and charities she sponsored or created, especially the Museum of Modern Art and the folk art collection in Williamsburg that bears her name, are her best-known legacies. They are a testament to her incredible generosity, which could not have been possible without the Rockefeller fortune that subsidized it.

Rockefeller's sense of mission was intensified by the fact that she was not born into the Rockefeller fortune, so she was more aware of its power, as well as the problems outsiders had in adjusting to it. Her marriage to John D. Rockefeller, Jr., helped perpetuate the Rockefeller social and political dynasty into the twenty-first century.

—*Martin J. Manning*

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See also: Henry Francis du Pont; Béatrice Ephrussi de Rothschild; Isabella Stewart Gardner; J. Paul Getty; Peggy Guggenheim; Solomon R. Guggenheim; Armand Hammer; Andrew Mellon; David Rockefeller; John D. Rockefeller; John D. Rockefeller, Jr.; John D. Rockefeller III; Laura Spelman Rockefeller; William Rockefeller.

David Rockefeller

American banker, economist, and statesman

Rockefeller inherited much of his wealth from his father, John D. Rockefeller, Jr. His own work at the Chase Manhattan Bank and with world leaders has helped the world's economy.

Born: June 12, 1915; New York, New York
Sources of wealth: Inheritance; investments; real estate
Bequeathal of wealth: Relatives; charity

Early Life

David Rockefeller (RAW-keh-fehl-luhr) was the youngest of six children born to John D. Rockefeller, Jr., and his wife, Abby Aldrich Rockefeller. His grandfather, John D. Rockefeller, was the founder of the Standard Oil Company. David's parents had a large art collection displayed in the house, which stimulated his early interest in art. He and some of his brothers often roller-skated to the Lincoln School, which stressed working in the library to solve problems rather than memorizing facts. The children were given a small allowance, and their father required them to keep a journal of their expenditures and donate money to charities. The family often spent weekends or summer vacations at their estates at Pocantico Hills, New York, and Seal Harbor, Maine. David also enjoyed traveling with the family to the western United States, France, Virginia, and Egypt in the late 1920's.

David Rockefeller graduated from Harvard University with honors in 1936. He then attended the London School of Economics and worked for the Chase National Bank in London. He obtained a Ph.D. in economics from the University of Chicago in 1940.

First Ventures

In 1940, Rockefeller began working as a secretary to Fiorello Henry La Guardia, the mayor of New York City, in order to gain a better understanding of government operations. After a year and a half at this job, he became assistant director of the U.S. Office of Defense, Health, and Welfare Services, serving in this position from 1941 to 1942. When World War II began, he enlisted in the army

David Rockefeller. (Getty Images)

Council of the Americas

David Rockefeller founded the Council of the Americas in 1965 and served as its first chairman. The council is an organization of business executives, the majority of whom are from the United States, that promotes free trade and open markets between North America and Latin America. At the time the council was established, the corporations it represented included companies that had contributed about 90 percent of the total U.S. investment in Latin America. This financial clout enabled the council to have significant input on American policy in Latin American countries. The council also contained a cultural arm, the Center for Inter-American Relations (CIAR), which promoted Latin American writers, artists, and musicians.

North American businesses had a difficult time investing in Latin America from the 1960's through the 1980's because Latin American countries had became very hostile to the United States. Some Latin American nations had expropriated American businesses, such as oil companies. In addition, a number of Latin American governments were overthrown and replaced with military dictatorships, which stifled these nations' economies.

In an effort to improve relations between North American companies and Latin America, Rockefeller, on behalf of the Council of the Americas, in 1981 invited representatives from Latin American countries to participate in an advisory council in order to discuss how these nations could manage their large debts and stimulate their economic growth. The council recommended that Latin American countries lower trade barriers, seek foreign investments, and allow their governments to cede control of oil companies and some other businesses.

The Council of the Americas prospered in the 1970's because of the support of the large corporations that were its members. The CIAR, however, had a difficult time raising money because there were few individuals or corporations interested in contributing to the arts. In the 1980's, the CIAR was renamed the Americas Society.

The Council of the Americas has become a driving force in the support of free trade in the Americas. The organization played a key role in negotiations regarding the North American Free Trade Agreement, which was signed by the United States, Canada, and Mexico in the early 1990's. As a result of this agreement, Presidents Bill Clinton and George W. Bush promoted free trade agreements between Latin America and the United States.

as a private. He was sent to officers' candidate school in 1943 and then was stationed in North Africa and France, where he worked in military intelligence. Toward the end of the war, he was assigned to the American embassy in Paris, where he gained valuable experience in working with groups of people in the French government and military.

After World War II, Rockefeller went to work at the Chase National Bank in New York City, becoming the only Rockefeller to become a banker. He worked in the foreign department at Chase, primarily in the Latin American section, focusing on commodities, such as coffee and metals. He kept careful documentation and laid out specific goals just as his father trained him to do when he was a child. Rockefeller worked well with his colleagues, listening to their points of view and providing logical arguments for his opinions. He worked exceedingly hard and eventually became vice president of the section in 1950.

During this time, Rockefeller also worked with his brothers in the family business and on charitable activities. He became chairman of the International House in New York City, an organization that assisted foreign students. The International House was located in a decaying portion of the city, and Rockefeller helped to redevelop the area in the 1950's. He also became chairman of the Rockefeller Institute for Medical Research, devising a plan to expand the institute's research programs.

Mature Wealth

In the 1950's, Rockefeller used his background in economics to take a leading role in the development of Chase National Bank. As vice president of Chase in the 1950's, he helped to expand the bank's international loans to developing world markets, particularly in Latin America and Western Europe. Chase purchased many existing banks in these areas and implemented procedures that conformed with its banking practices; this process also required Chase to reorganize its own operations. In 1955, Chase merged with the Bank of Manhattan to become the Chase Manhattan Bank, which was then the second-largest bank in the world, with billions of dollars in assets. During his years at Chase, Rockefeller continued to evaluate the bank's operations, and he began to change the internal organization of its management. He changed pay scales, fringe benefits, and promotion policies for bank employees.

Rockefeller became vice president of the bank's management board in 1957. He proposed construction of a $100 million, sixty-story building for Chase, made of glass and aluminum, with two million square feet of working space. Many members of the bank's board of directors opposed his plan, especially since many businesses were then beginning to move out of New York City's financial district. The board would allow Rockefeller to build the structure only if he could convince other businesses to stay in the district. In response, Rockefeller organized the Committee on Lower Manhattan, which consisted of many business and banking leaders in the area who were charged with rebuilding a one-square-mile area. This area was the site of the major stock exchanges, many large banks, and the headquarters of large corporations. The building process was slow, but by 1980 more than fifty million square feet of office space was added to this area, including the new Chase Manhattan Bank building, completed in 1961. Rockefeller also convinced Chase's board to purchase $500,000 worth of art for the new building, which was a boon to many artists.

Rockefeller became president of the Chase Manhattan Bank in 1961. The banking industry changed rapidly in the 1960's, and under Rockefeller's leadership, Chase bank was in the forefront of these developments. Chase expanded its moneylending, amassing more than $21 billion worth of loans by the end of the 1960's. Many of these loans were made to growing businesses, such as automobile and textile companies.

In 1969, Rockefeller was made Chase's chief executive officer and chairman of the board. At this time, the bank had branches in ninety countries, and he continued to travel to keep in touch with Chase's worldwide operations. He remained chairman until 1981, and he held about 2 percent of the bank's stock.

Rockefeller's total wealth has been estimated at more than $2 billion. Much of his initial wealth came from trusts that his father had set up for him in 1934. Rockefeller's advisers also invested much of his money in stocks, bonds, and real estate. His salary at the bank in the later years was around $1 million per year, which was a negligible amount compared to his total investments.

Rockefeller volunteered his time to assist numerous organizations and donated a vast amount of money for causes he believed were important. In the 1940's, he began his longtime association with the Council on Foreign Relations, eventually becoming the organization's director. The council studied America's long-range foreign policy and made recommendations on America's relations with other countries. Rockefeller worked on the council's study groups concerning Europe, the North Atlantic Treaty Organization (NATO), and trade policy. He became well acquainted with American presidents, who appointed him to a number of commissions studying economic policy.

Rockefeller also made large donations to the Rockefeller Institute for Medical Research, the Museum of Modern Art, and the University of Chicago, among other institutions. He took over the leadership of the Rockefeller Institute for Medical Research in 1950, focusing on fund-raising and directing the institute's biomedical research. He also obtained a large collection of art, a great deal of which was given to the Museum of Modern Art.

Legacy

David Rockefeller became a world economic leader through his work at the Chase Manhattan Bank, his role in many economic committees, and his personal relationships with many world leaders. In the twenty-first century, he continued to provide money and leadership to organizations he considered important. For example, in 2005 Rockefeller donated $100 million to the Museum of Modern Art, another $100 million to the Rockefeller Institute for Medical Research, and $10 million to Harvard University. He has also willed $225 million to the David Rockefeller Global Dynamic Fund in order to provide financial assistance for a variety of issues, such as world health care, poverty, increasing the dialogue between Muslims and the West, and supporting research on international economics.

—*Robert L. Cullers*

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See also: Abby Aldrich Rockefeller; John D. Rockefeller; John D. Rockefeller, Jr.; John D. Rockefeller III; Laura Spelman Rockefeller; William Rockefeller.

John D. Rockefeller

American oil magnate

Rockefeller, the founder of Standard Oil Company, became the world's first billionaire and arguably the richest man who ever lived. He used some of his great wealth to endow many institutions of higher learning and to establish a number of public health institutions.

Born: July 8, 1839; Richford, New York
Died: May 23, 1937; Ormond Beach, Florida
Also known as: John Davison Rockefeller
Source of wealth: Oil
Bequeathal of wealth: Children; charity; educational institution

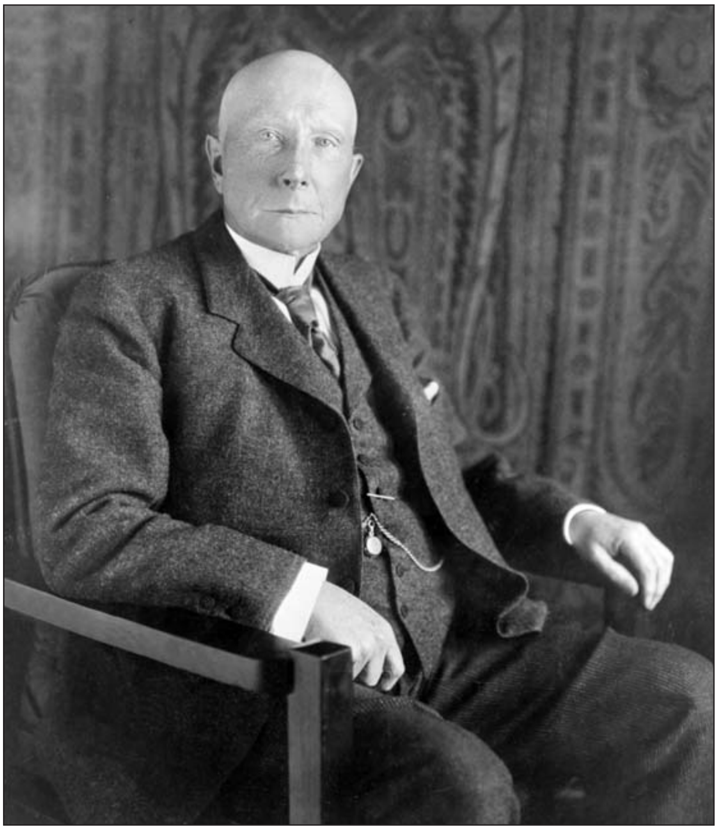
Early Life

John Davison Rockefeller (RAW-keh-fehl-luhr) was the second of six children born to William Avery Rockefeller, Sr., and Eliza Davison Rockefeller. His father was a traveling salesman, who spent much time away from home, leaving the responsibility of raising his family to his wife, who was a devoutly religious Baptist. Eliza instilled strong Baptist principles in John, who was a teetotaler all of his life, using neither tobacco nor alcohol. When he was twelve, John's family moved to Oswego, New York, where the boy attended Oswego Academy. In 1853, the Rockefellers moved to Strongsville, Ohio, near Cleveland.

First Ventures

When he was sixteen, John took a job as an assistant bookkeeper with a small produce commission firm for a salary of less than $20 per month. In 1858, he went into the produce commission business with a partner, M. B. Clark, calling their firm Clark & Rockefeller. The two young men invested their profits in an oil refinery in 1863 in Cleveland's growing industrial area. He married Laura Spelman in 1864. The couple eventually had five children, four daughters and a son. In 1865, Rockefeller bought out Clark and established the firm of Rockefeller & Andrews with Samuel Andrews.

John's brother William built another refinery in Cleveland in 1866 and joined in partnership with John and Andrews. The next year, Henry M. Flagler became a partner in the firm, and the firm's name was changed to Rockefeller, Andrews & Flagler. The partners borrowed



John D. Rockefeller remains the wealthiest person in U.S. history, with a net worth of about $200 billion in 2010 currency. (Library of Congress) heavily and reinvested most of the profits from their firm. By the end of 1867, they owned two refineries and a marketing subsidiary in New York and had become the largest oil refiner in the world. The firm became the predecessor of Standard Oil Company.

Mature Wealth

Rockefeller founded Standard Oil of Ohio in January, 1870. By using questionable business practices, Standard Oil quickly became one of the largest producers of oil and kerosene in the United States. Standard Oil absorbed most of its Cleveland competitors in 1872. During the subsequent decade, Rockefeller and Standard Oil gradually gained almost total control, or nearly 90 percent, of oil refining and marketing in the United States.

Since state legislatures made it nearly impossible to incorporate in one state and operate in another, Rockefeller by this time owned separate corporations in many different states. In 1882, Rockefeller created the Standard Oil Trust, a corporation composed of his oil companies that established a monopoly on oil refining and kerosene products, controlling more than 75 percent of the American market. His business practices in subsequent years attracted the attention of "muckraking" journalists (early investigative reporters), who referred to Standard Oil as "the octopus," denounced the firm's monopolistic practices, and called upon the federal government to disestablish the company. Despite these denunciations, Rockefeller's practices had beneficial effects on the price and availability of oil and kerosene products for the public. Nevertheless, the uproar caused by the muckrakers led to the growth of the antitrust movement in the United States.

Rockefeller demonstrably indulged in unscrupulous business practices, including price-fixing with the railroads, cutthroat pricing practices, industrial espionage on a large scale, and bribing state and federal political officials. Rockefeller and his company spent decades avoiding prosecutors until President Theodore Roosevelt and his trustbusters at last cornered him. One of the most effective of the muckrakers was journalist Ida Tarbell. The publication of her book *The History of the Standard Oil Company* in 1904 was instrumental in the pursuit of Rockefeller's company by the trustbusters.

The Rockefeller Foundation

John D. Rockefeller in 1909 donated seventy-three thousand shares of stock in Standard Oil of New Jersey to the first three trustees of what later became the Rockefeller Foundation. These shares were worth about $50 million at the time (nearly $2.5 billion in 2010 dollars), and they were to be the first payment of a projected $100 million endowment. Governor William Sulzer of New York approved the state charter for the foundation in May, 1913, with John D. Rockefeller, Jr., serving as the first president.

In December, 1913, the foundation made its first grant of $100,000 to the American Red Cross, enabling the Red Cross to purchase property for a headquarters in Washington, D.C. For the first decade of its existence, the foundation focused entirely on public health, medical education, and the sciences. During its first year of operation, the foundation established the International Health Commission, which funded field research on malaria, yellow fever, and hookworm. The commission also supported the Bureau of Social Hygiene's research and education on birth control, sex education, and maternal health.

The foundation initially focused its activities on five areas: medical, health, and population sciences; agricultural and natural sciences; arts and humanities; social sciences; and international relations. Approximately thirteen thousand scientists and scholars from around the world have been granted scholarships and fellowships from the foundation, which has also provided funding to scholarly publications and conferences.

By 2009, the foundation had redirected its philanthropy toward five main program areas: The Creativity and Culture program includes support for dance, film, digital media, music, and theater in order to promote cultural diversity and cross-cultural understanding. Food Security programs provide assistance to the rural poor, especially people in Asia and sub-Saharan Africa, by improving agricultural technology. Health Equity programs seek to eliminate unfair differences in the health status of populations within the United States based on race or ethnicity. The goal of the Working Communities program is to transform poor, urban neighborhoods into safe and healthy environments by improving employment opportunities and schools. Efforts at Global Inclusion seek to ensure that the benefits of worldwide globalization are equally shared by all strata of society. The foundation in 2009 had assets of more than $3.8 billion and made contributions of approximately $150 million annually.

In 1911, after years of litigation, the U.S. Supreme Court ruled that Standard Oil of New Jersey had violated the Sherman Antitrust Act and ordered the corporation to be broken up into thirty-four new companies. These included Standard of New Jersey (now Exxon), Standard of New York (which became Mobil), Continental Oil (later Conoco), Standard Oil of California (later Chevron), and many others. Rockefeller retained large shares in all of these companies. He subsequently became the world's first billionaire and arguably the richest man who ever lived.

In 1889, the publication of an essay "The Gospel of Wealth" by another wealthy industrialist, Andrew Carnegie, called on all wealthy men to give generously to benefit humankind. This publication prompted Rockefeller to begin donating to charities on a large scale. In that year he gave his first large gift to establish the University of Chicago, and the new university opened in 1890. After 1896, Rockefeller largely retired from business and turned his attention to philanthropy. Rockefeller had tithed 10 percent of his earnings to his church since the beginning of his career. As he grew wealthier, he increased his charitable donations, focusing on public health causes, scientific research, and educational institutions. He even retained a personal adviser on philanthropic activities, his business partner Frederick T. Gates.

In 1884, Rockefeller had provided much of the funding for an African American women's college in Atlanta that became Spelman College, named for his wife's family, who had been abolitionists in antebellum New York. Rockefeller also provided much of the funding for the establishment in 1902 of the General Education Board, which supported African American schools in the South.

He eventually gave approximately $80 million to the University of Chicago, making it a world-renowned institution of higher learning. He provided funds for many other colleges and universities in the United States, including Harvard, Yale, and Brown Universities.

Rockefeller also financed public health institutions. In 1901, he provided funding for the Rockefeller Institute for Medical Research in New York, renamed Rockefeller University in 1965. His funding was also used to found the Rockefeller Sanitary Commission in 1909, which worked to wipe out hookworm. He established the Rockefeller Foundation, which continues to operate today. Among many other philanthropic activities, the Rockefeller Foundation endowed the Johns Hopkins School of Hygiene and Public Health. In 1918, Rockefeller endowed the Laura Spelman Rockefeller Memorial in order to support research in social studies. Named for his wife, this organization was eventually absorbed into the Rockefeller Foundation. During Rockefeller's lifetime, he gave approximately $550 million to various charitable institutions.

Rockefeller died of arteriosclerosis at his home in Ormond Beach, Florida, on May 23, 1937, two months before his ninety-eighth birthday. He is buried in Lake View Cemetery in Cleveland, Ohio.

Legacy

The enormous wealth accumulated by John D. Rockefeller has benefited the people of the United States and the world in innumerable ways.

Although Rockefeller was undoubtedly an unscrupulous and ruthless businessman, he was also a generous humanitarian who did perhaps more than any other historical figure to uplift humankind. His gifts to higher education helped establish one of the most prestigious institutions in the world, the University of Chicago, as well as providing major funding for many more universities and colleges. His contributions to public health eradicated hookworm, one of the greatest scourges in the American South, and created health education institutions around the world. The Rockefeller Foundation has elevated scholarship, the arts, and science by awarding fellowships and grants to scholars, artists, and scientists. The foundation's programs have also been instrumental in helping alleviate world poverty and hunger.

—*Paul Madden*

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See also: Andrew Carnegie; Edward L. Doheny; Henry M. Flagler; Calouste Gulbenkian; Abby Aldrich Rockefeller; David Rockefeller; John D. Rockefeller, Jr.; John D. Rockefeller III; Laura Spelman Rockefeller; William Rockefeller.

John D. Rockefeller, Jr.

American landowner and philanthropist

Rockefeller was heir to the huge fortune amassed by his father, founder of the Standard Oil Company. A hard worker but one for whom business held little appeal, Rockefeller found fulfillment in large-scale philanthropic pursuits. His lifetime charitable donations totaled more than half a billion dollars.

Born: January 29, 1874; Cleveland, Ohio
Died: May 11, 1960; Tucson, Arizona
Also known as: John Davison Rockefeller, Jr.
Sources of wealth: Inheritance; investments; real estate
Bequeathal of wealth: Spouse; children; charity

Early Life

John Davison Rockefeller (RAW-keh-fehl-luhr), Jr., was born in Cleveland, Ohio in 1874. He was the youngest of five children and the only son of Laura Spelman Rockefeller and Standard Oil Company founder John D. Rockefeller. Standard Oil's success allowed the family to enjoy a more than comfortable lifestyle. The Rockefellers lived in a fashionable Cleveland neighborhood, employed servants, kept a country home, wintered in New York City, and traveled through Europe. Yet they avoided excess, idleness, and vice; staunch Baptists, they raised their children to be industrious, thrifty, and prayerful. During his adolescence, John, Jr., attended the small Browning School in New York City. In 1893, he began undergraduate studies at Brown University, where he developed a reputation as an earnest, religious, penny-pinching nondrinker. He graduated from Brown in 1897 as a member of Phi Beta Kappa.

First Ventures

After graduation, Rockefeller went to work in the New York City offices of Standard Oil. The anxious, insecure, and self-deprecating young man received no guidance and was left to find his own way. He handled some of his father's correspondence, including requests from charitable organizations, and he took on detail-oriented tasks for various projects.

In the late 1800's, his father loaned him money to invest in the stock market. After minor gains and losses, Rockefeller fell victim to David Lamar, a Wall Street operator who would become known as "the Wolf of Wall Street." Lamar's manipulations resulted in a loss for Rockefeller of about $1 million, which he was unable to repay to his father. While the senior Rockefeller received the news calmly and without accusation, the press reported the humiliating loss with glee. John, Jr., was so shamed by the experience that he avoided speculation in the stock market for the rest of his life.

In 1901, after several years of shy courting, Rockefeller married Abby Greene Aldrich, the wealthy and socially prominent daughter of Nelson Wilmarth Aldrich, a politically powerful senator from Rhode Island. The couple took up residence in New York City; ultimately, they would also keep homes in Pocantico Hills, New York; Seal Harbor, Maine; and Williamsburg, Virginia. Over the next fifteen years, the couple had six children: Abby ("Babs") Rockefeller, John D. Rockefeller III, Nelson A. Rockefeller, Laurance Spelman Rockefeller, Winthrop Rockefeller, and David Rockefeller.

Mature Wealth

Gradually, Rockefeller's focus became the philanthropic use of his father's fortune. He helped found the Rockefeller Institute for Medical Research (later the Rockefeller University) in 1901 in order to advance scientific research into the cause and cure of diseases. He was also instrumental in organizing the General Education Board in 1903, which was created to promote educational opportunities for all, regardless of race, gender, or religion.

Another major philanthropy he helped establish was the far-reaching Rockefeller Foundation, launched in 1913 in order to support worldwide efforts in education, medicine, public health, the natural sciences, the social sciences, and the arts and humanities.

In 1916, Rockefeller gave the U.S. government thousands of acres of land to create Maine's Acadia National Park. Rockefeller would later contribute millions of dollars toward New York City's Fort Tryon Park, along with The Cloisters, which he erected in the park to house the Gothic art collection that he had donated to the Metropolitan Museum of Art; the New York-New Jersey Palisades Interstate Park Commission; California's Save-the-Redwoods League; Shenandoah National Park; Yosemite National Park; and the Jackson Hole Preserve.

During World War I, Rockefeller chaired New York's United War Work Campaign, which raised $35 million for private organizations working with American troops. After the war he contributed to the rebuilding of war-damaged structures in Europe, including France's Rheims Cathedral, and to the restoration and conservation of the French historical sites at Versailles and Fontainebleau.

In 1926, Rockefeller initiated restoration work in the historic district of Colonial Williamsburg, Virginia. His support transformed Colonial Williamsburg from a dilapidated town to a popular tourist attraction and a model of restoration and historic preservation.

In 1928, Rockefeller made plans with others to purchase a midtown Manhattan site for a new Metropolitan Opera House. After he leased much of the desired land from Columbia University and bought the remainder from other owners, the onset of the Great Depression forced the opera to abandon its plans. Committed to a long lease of the university property, Rockefeller decided to build an international business and entertain-

John D. Rockefeller, Jr., right, with his wife Abby and other family members. (Hulton Archive/Getty Images)

The Rockefeller University

The Rockefeller University had its start as the Rockefeller Institute for Medical Research (RIMR). John D. Rockefeller, Sr., founded RIMR in 1901, after his daughter Edith Rockefeller McCormick lost her eldest child to scarlet fever. The death of three-year-old John Rockefeller McCormick spurred the boy's grandfather to act on a plan that he had been discussing with his son John D. Rockefeller, Jr., and his adviser Frederick T. Gates for three years: the establishment of an institution in the United States entirely dedicated to exploring the causes of disease through modern laboratory science.

John, Jr., was fascinated with the medical field and was particularly devoted to RIMR from its inception. He was instrumental in exploring organizational logistics, and he secured funding from and presented ideas to his father, who was distrustful of nonhomeopathic approaches to medicine. John, Jr., also worked with prominent physicians to assemble a board of directors. He served on the institute's board of trustees from 1910 to 1950, taking over the chairmanship in 1928 after Gates's death left the position vacant.

RIMR operated out of temporary quarters until 1906, when its laboratories opened in New York City at Sixty-sixth Street and Avenue A (now York Avenue). The Rockefeller Institute Hospital, the first clinical research center in the United States, opened in 1910, enabling RIMR scientists to augment laboratory studies with patient-based research.

RIMR's early successes included institute director Simon Flexner's development of a new delivery system for an antimeningitis serum, Hideyo Noguchi's studies linking the *Treponema pallidum* spirochete with syphilis, Louise Pearce's work with the compound tryparsamide as a drug against African sleeping sickness, and Peyton Rous's discovery that viruses play a role in the transmission of certain cancers. John, Jr., made medical breakthroughs of his own: In 1923, he gave a $150,000 grant to RIMR, with additional follow-up funding, to help supply the new drug insulin to financially disadvantaged diabetics in the United States and Canada and to train doctors in the drug's proper use.

In 1944, RIMR researchers Oswald T. Avery, Colin Munro MacLeod, and Maclyn McCarty began the era of modern genetics with the discovery that deoxyribonucleic acid, or DNA, is the chemical basis of heredity. RIMR scientists in the 1940's and 1950's were also the first to study cell structure by using the recently developed technique of electron microscopy.

In 1954, RIMR became part of the State University of New York; it admitted its first class of graduate students the following year and awarded its first doctoral degrees in 1959. RIMR became The Rockefeller University in 1965. In 1972, the university began a collaboration with Cornell University to offer graduate students an M.D.-Ph.D. program. The Sloan-Kettering Institute later joined the partnership in what became the Tri-Institutional Program.

More than a century after its founding, The Rockefeller University remains a major biomedical research center. Prizes earned by its scientists include the Albert Lasker Medical Research Award, the Gairdner Foundation International Award, the U.S. National Medal of Science, and the Nobel Prize.

ment center. The construction of the fourteen-building Rockefeller Center complex employed more than seventy-five thousand people between 1931 and 1940. The center's six million square feet of leasable space made Rockefeller one of the city's largest real estate holders.

In 1941, Rockefeller helped establish the United Service Organizations (USO), of which he would remain an active leader. In 1943, he worked with the USO to form the National War Fund, which raised more than $321 million for U.S. military personnel and others.

In late 1946, thanks to a phone call from his son Nelson, Rockefeller learned that the nascent United Nations was hours away from its deadline to select a site for its permanent headquarters. (Nelson was serving on a committee to persuade the international organization to settle in New York City.) After a late-night scramble to resolve legal details, Rockefeller resolved the matter by offering the United Nations an $8.5 million gift of six Manhattan blocks on New York City's East River.

Abby Aldrich Rockefeller died in 1948. Three years later, Rockefeller married pianist Martha Baird Allen, the widow of an old friend and classmate from Brown University. Rockefeller provided his new wife with a trust fund as a wedding gift so she could experience the philanthropic giving that he so enjoyed.

One of Rockefeller's last major projects was Sleepy Hollow Restorations. This organization, which he founded in 1951, initially handled the management and operation of two historic Hudson Valley properties he had acquired in the 1940's: Philipsburg Manor and author Washington Irving's residence, Sunnyside. He donated a third property, Van Cortlandt Manor, in 1959. He invested more than $12 million to purchase and restore the three sites.

In 1960, Rockefeller was diagnosed with prostate cancer. He died in 1960 in Tucson, Arizona, and he was buried in the Rockefeller Family Cemetery in Sleepy Hollow, New York. His estate was probated at $157 million. His will divided these assets almost evenly between his wife and the Rockefeller Brothers Fund, a charitable organization that his sons had established in 1940. Rockefeller had made a substantial gift to the fund in 1951; the further endowment upon his death made it one of the ten largest charitable foundations in the United States.

Legacy

John D. Rockefeller, Jr., was compelled not to follow in his father's entrepreneurial footsteps but to apply the family's great wealth toward the public good. Over his lifetime he gave more than $537 million to charitable projects. He worked with his father to create several important institutions in the areas of education, medicine, and general philanthropy. He also collaborated with his first wife, Abby Aldrich Rockefeller, to provide philanthropic support to historic preservation causes and the art world. He passed a legacy of philanthropy to his children, not only by setting an example of large-scale charitable giving but also by establishing trusts to enable them to continue such giving. His daughter and five sons, in turn, passed the family tradition of philanthropy to their own children, the fourth generation of Rockefellers, to carry on the legacy of giving established by Rockefeller and his father.

—*Karen N. Kähler*

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See also: Abby Aldrich Rockefeller; David Rockefeller; John D. Rockefeller; John D. Rockefeller III; Laura Spelman Rockefeller; William Rockefeller.

JOHN D. ROCKEFELLER III

American philanthropist

Rockefeller inherited his wealth from his father, and he used it for philanthropy. He founded the Asia Society and the Population Council and provided funds to the Council of Economic and Cultural Affairs and the Lincoln Center for the Performing Arts.

Born: March 21, 1906; New York, New York
Died: July 10, 1978; Mount Pleasant, New York
Also known as: John Davison Rockefeller III
Sources of wealth: Inheritance; investments; real estate
Bequeathal of wealth: Children; charity

EARLY LIFE

John Davison Rockefeller (RAW-keh-fehl-luhr) III was the first of six children born to John D. Rockefeller, Jr., and his wife, Abby Aldrich Rockefeller. His parents required that he go to the Baptist church and read the Bible. Even when was young, he was taught about the importance of earning and managing money. For example, he was given an allowance of ten cents a week beginning at the age of eight, and he was required to keep a journal and discuss the use of his money with his father. He had to keep track of how much he spent on himself, how much he gave away, and how much he saved. To earn additional money, he would do chores, such as catching mice, helping with cooking and sewing, or, during World War I, growing a victory garden and packaging bandages. Rockefeller went to the Browning School in New York City and then to the Loomis Institute, a preparatory school in Windsor, Connecticut. He graduated from Princeton University in 1929, receiving high honors in economics.

FIRST VENTURES

Rockefeller worked as a clerk for the League of Nations in Geneva, Switzerland, in the summer of 1928. This was a great position for him, since he was able to observe and talk with many of the world leaders and see how they interacted. After graduating from Princeton, he attended a conference in Japan, at which many of the problems of Asia were discussed. This trip also included stops in a number of other Asian countries and parts of the Soviet Union.

On returning from this trip, he worked for his father in the Standard Oil Building in New York City, helping with the many charitable donations his father made. Rockefeller became a trustee in many organizations, such as the Rockefeller Foundation, the Rockefeller Institute for Medical Research, and the China Medical Board. These activities enabled him to understand how such organizations worked.

In the 1930's, Rockefeller became interested in the overpopulation problems of Asia. He was especially concerned about birth control, which then was an unpopular topic of discussion. He donated money to several birth control organizations that trained more than thirty thousand nurses and doctors in birth control techniques and issues regarding sexuality and fertility. He also worked through the Rockefeller Foundation to give money to a medical school in Beijing, China.

During World War II, Rockefeller became a lieutenant commander in the U.S. Navy. He worked for four years in the Office of the Chief of Naval Operations in Washington, D.C., and he then helped to plan the United States' policies for its postwar relations with Japan.

MATURE WEALTH

After World War II, Rockefeller and his brothers, Nelson A., Laurance, Winthrop, and David, took on a greater role in managing the family business. The brothers got along reasonably well, although there were often major disagreements among them. John, Jr., in 1934 had given his five sons and daughter Abby trust funds with an estimated total value of $640 million, so each sibling had a fair amount of money. In 1954, John, Jr,. set up another trust for his children estimated at around $100 million.

John III had little interest in managing his money, and he hired others to invest it for him. Most of his money was invested in stocks, bonds, and real estate. His major interest was contributing money to charities that worked for the causes in which he was interested. Rockefeller also served as a trustee on many boards of philanthropic organizations, and he established many organizations for which he was the director.

For example, after World War II, Rockefeller thought that Germany needed help to better understand the principles of democracy, and he started programs that aimed to address this concern. He especially wanted to help Japan and other Asian countries solve the problems associated with decreasing food production and increasing population, and to this end he directed major efforts to provide medicine and birth control and to improve the health of people in these nations. In 1951, Rockefeller went to Japan to meet with many of the nation's leaders. He helped form working groups to organize cultural exchange programs between the United States and Japan. Through his efforts, Americans began to appreciate Japanese culture, art, and industry, including automobile manufacturing.

Rockefeller fought hard in the 1950's to start birth control programs in Asia. In that decade, he was influential in the National Academy of Sciences' announcement that birth control measures deserved further study. In 1952, Rockefeller used his own funds to establish the Population Council, which provided fellowships to those studying population control and family planning. In 1959, the council also provided funds for the use of the intrauterine device (IUD), a plastic coil placed in the uterus to avoid pregnancy. The council obtained money from the Ford Foundation and the U.S. government to supply the large demand for IUDs. By the late 1960's, the council advocated that information about sex education, birth control, and abortion be provided to American teenagers.

Rockefeller organized the Council of Economic and Cultural Affairs in 1953 in order to help Asian nations with farming, marketing their products, and banking. Money was available to enable Asian scholars to come to the United States to learn more about these economic activities. Rockefeller also helped to plan and finance the Center for Performing Arts in New York City in 1955.

In 1952, he became the chairman of the board for the Rockefeller Foundation, a charitable organization founded by his grandfather, John D. Rockefeller, Sr. The foundation gave tens of millions of dollars to implement the best proposals regarding health, medicine, agriculture, the arts, social sciences, and international relations. In his position of chairman, as in his other charitable activities, Rockefeller worked in a low-key manner, allowing all board members to express their opinions but ultimately convincing the trustees to support his ideas.

In the late 1960's, many young people began to rebel against the Vietnam War and the American government. Rockefeller gave a number of speeches about fighting injustice in the United States, and he started a Task Force on Youth to seek solutions to the issues young people were raising. In 1970, he began to involve himself in environmental issues, and he financed a study aimed at cleaning up the Connecticut River.

The Asia Society

The Asia Society initially was created to promote a cultural exchange between the United States and Asia and to be a source of information about Asia for the United States. When it was founded in 1956 by John D. Rockefeller III, the society did not address Asian politics or economics, primarily because many Americans in the post-World War II period continued to dislike Japan and were not particularly interested in Asia. Rockefeller gave almost $2 million to establish the society and support it during its first five years of operation, and this money was primarily used to find a building in New York City in which to house the organization.

In its early years, the Asia Society sponsored seminars, talks, art exhibits, and publications about Asia. It also presented programs about some of the Asian nations, such as Sri Lanka. The society soon ran out of space and needed more money to develop its programs.

In the 1960's, the Asia Society took on a more political agenda under the direction of its president, Kenneth Young, a career diplomat in Asia. In these years, the society also became more dependent on government funding. The society started a program that enabled Southeast Asian nations to receive advice aimed at improving technology for agriculture, water supply, and population control.

Phillips Talbot took over the Asia Society in 1969, and under his direction the organization became a resource for Asian economic development and public affairs. He encouraged Asian and American scholars to meet and discuss problems. During his presidency the society staged art exhibits and plays, organized programs on literature, and created individual country councils. He also obtained funds from the Ford Foundation, corporations, and individuals. In 1971, he organized the Williamsburg Conferences, in which the United States, Japan, and other Asian countries discussed mutual problems in a constructive way.

Early in the 1970's, Rockefeller donated his Asian art collection to the Asia Society, and he gave money to build a gallery to house the collection. This collection had 260 pieces that were valued at $21 million in 1974.

The Asia Society remains an active organization in the twenty-first century, with several offices in the United States, as well as offices in Hong Kong, Manila, Melbourne, Mumbai, Seoul, and Shanghai. The organization sponsors numerous activities, including art exhibitions, film screenings, and lectures and conferences about foreign policy, politics, business, and other topics regarding the more than thirty countries in the Asia-Pacific region, which it describes as "the area from Japan to Iran, and from Central Asia to New Zealand, Australia, and the Pacific Islands."

Legacy

John D. Rockefeller III is known for his philanthropic contributions to causes in the United States and Asia. He provided financial assistance to artistic, scientific, and cultural activities in the United States, promoted improved relations between Asian communities and the United States after World War II, guided the Rockefeller Foundation, and advocated the use of birth control and family planning. He became a leader in advising Asian leaders about American-Asian relations. Rockefeller was a moderate person, who stressed that cooperation was important in solving the many problems with which he was concerned. He was also a leader in helping to enact tax laws that would encourage philanthropy in the United States, and he encouraged others to donate money to causes they believed were significant.

—*Robert L. Cullers*

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See also: Abby Aldrich Rockefeller; David Rockefeller; John D. Rockefeller; John D. Rockefeller, Jr.; Laura Spelman Rockefeller; William Rockefeller.

Great Lives from History

The Incredibly Wealthy

Great Lives from History

The Incredibly Wealthy

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Key to Pronunciation

Many of the names of personages covered in *Great Lives from History: The Incredibly Wealthy* may be unfamiliar to students and general readers. For these unfamiliar names, guides to pronunciation have been provided upon first mention of the names in the text. These guidelines do not purport to achieve the subtleties of the languages in question but will offer readers a rough equivalent of how English speakers may approximate the proper pronunciation.

Vowel Sounds

Symbol	Spelled (Pronounced)
a	answer (AN-suhr), laugh (laf), sample (SAM-puhl), that (that)
ah	father (FAH-thur), hospital (HAHS-pih-tuhl)
aw	awful (AW-fuhl), caught (kawt)
ay	blaze (blayz), fade (fayd), waiter (WAYT-ur), weigh (way)
eh	bed (behd), head (hehd), said (sehd)
ee	believe (bee-LEEV), cedar (SEE-dur), leader (LEED-ur), liter (LEE-tur)
ew	boot (bewt), lose (lewz)
i	buy (bi), height (hit), lie (li), surprise (sur-PRIZ)
ih	bitter (BIH-tur), pill (pihl)
o	cotton (KO-tuhn), hot (hot)
oh	below (bee-LOH), coat (koht), note (noht), wholesome (HOHL-suhm)
oo	good (good), look (look)
ow	couch (kowch), how (how)
oy	boy (boy), coin (koyn)
uh	about (uh-BOWT), butter (BUH-tuhr), enough (ee-NUHF), other (UH-thur)

Consonant Sounds

Symbol	Spelled (Pronounced)
ch	beach (beech), chimp (chihmp)
g	beg (behg), disguise (dihs-GIZ), get (geht)
j	digit (DIH-juht), edge (ehj), jet (jeht)
k	cat (kat), kitten (KIH-tuhn), hex (hehks)
s	cellar (SEHL-ur), save (sayv), scent (sehnt)
sh	champagne (sham-PAYN), issue (IH-shew), shop (shop)
ur	birth (burth), disturb (dihs-TURB), earth (urth), letter (LEH-tur)
y	useful (YEWS-fuhl), young (yuhng)
z	business (BIHZ-nehs), zest (zehst)
zh	vision (VIH-zhuhn)

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Great Lives from History

The Incredibly Wealthy

Laura Spelman Rockefeller
American philanthropist

Rockefeller was the wife of John D. Rockefeller, the founder of Standard Oil. The child of abolitionists, she shared her husband's interest in philanthropy, and the couple provided financial assistance to the first historically black female institution of higher learning, named Spelman College in her honor.

Born: September 9, 1839; Wadsworth, Ohio
Died: March 12, 1915; Pocantico Hills, New York
Also known as: Laura Celestia Spelman Rockefeller; Laura Celestia Spelman (birth name); Cettie Spelman Rockefeller
Source of wealth: Marriage
Bequeathal of wealth: Children; educational institution; charity

Early Life

Laura Celestia Spelman Rockefeller (RAW-keh-fehl-luhr) was born in Wadsworth, Ohio, on September 9, 1839, the daughter of Harvey Buel Spelman, a dry goods merchant, and Lucy Henry Spelman. She was the second of two daughters. The family had relocated to Ohio from Massachusetts and moved from Wadsworth to Akron and then finally to Cleveland, where Laura's parents were actively involved in the church and in politics. Her father helped establish a Congregational Church in Cleveland, served as a state legislator, and was active in the abolition movement, helping fugitive slaves on their perilous treks to Canada.

Educated in Cleveland schools, Laura graduated as valedictorian from Central High School, where John D. Rockefeller was a member of her senior class and her good friend. A deeply religious young woman, she and her sister Lucy wanted to become teachers. In 1857, they both went off to the Oread Institute, a women's college in Worcester, Massachusetts. Upon completion of their studies, Lucy took a teaching position in the Cleveland public schools. However, Laura's attempts to establish and teach music classes failed until she began teaching at the Hudson Street School in 1860. Her success there led to her being appointed to the position of assistant principal.

About this time, Laura was being actively courted by her former classmate, John Rockefeller. He gave her bouquets and took her to lectures, and in 1864 he finally proposed marriage and gave her a diamond ring. They were married on September 8, 1864, and honeymooned in Niagara Falls, Canada, and in New England. Once back in Cleveland, they bought a modest house next to the home of John's parents and began raising a family. Between 1866 and 1874, the couple had four daughters, one of whom died in infancy, and a son, John D. Rockefeller, Jr.

Laura's life revolved around her marriage and family. She did, however, maintain her interest in the church, joining her husband's Baptist congregation. As the family outgrew their first home, she and her husband purchased a larger but still unpretentious house on a Cleveland street that became known as "Millionaires' Row." They later acquired a property with a view of Lake Erie that became a summer home they named Forest Hill.

First Ventures

Inasmuch as Laura Rockefeller was first and foremost a wife and mother, the wealth she possessed was actually her husband's, which he acquired through highly successful business ventures in oil refining and company mergers. He had started his first company at age nineteen, in 1859, grossing $450,000 in the first year. By the time he and Laura married in 1864, the Civil War had begun and it helped his company prosper. By 1870, he had entered the oil refining business, and his Standard Oil Company was refining 10 percent of America's oil. By 1879, this amount had skyrocketed to 90 percent, and Standard Oil had its own warehouse, depots, tank car fleets, and even its own barrel-making plants.

While John accumulated his fortune, Laura raised their four children. She did not allow them to be indulged as spoiled "rich kids." She made them work in their own vegetable garden plots, pull weeds from the lawn (and earn a penny for every ten weeds), and turn off unnecessary lights to help save energy costs. She set a routine of family prayers each morning at half past seven, music lessons, and regular church attendance. Laura herself always taught a Sunday school class, and she maintained her devotion to her church.

Because John's business often took him to New York City, he ultimately bought a home there on West Fifty-fourth Street, and the family began spending late fall, winter, and early spring in New York. John's company had become "the first great American trust" by 1882, holding the stock of forty businesses and having a value of nearly $70 million.

SPELMAN COLLEGE

Spelman College, located in Atlanta, Georgia, is the oldest historically black college for women in the United States. It is a predominantly residential, private college providing a liberal arts education. In 2009, more than twenty-three hundred women were enrolled, and these students came from more than forty states and fifteen foreign countries. The faculty, numbering about 150 full-time teachers, 85 percent of whom hold doctorate degrees, provides instruction leading to B.A. and B.S. degrees in the fine arts, humanities, social sciences, natural sciences, and education.

Originally established in 1881 as the Atlanta Baptist Female Seminary, the institution came to the attention of John D. and Laura Spelman Rockefeller when its founders, Sophia B. Packard and Harriet E. Giles, were raising funds for the school at an Ohio church conference. Packard and Giles had taught at the Oread Institute in Worcester, Massachusetts, where Laura was educated. The Rockefellers donated $250 in 1884, which was sufficient to settle the school's debts, and that year the school's name was changed to Spelman Seminary to honor Laura Spelman Rockefeller and her parents, Harvey and Lucy Henry Spelman, staunch antislavery activists.

The college's original location was the basement of the Friendship Baptist Church in Atlanta, Georgia, but in 1883 it was relocated to a nine-acre site on which there were five buildings. The school became Spelman College in the 1920's, and a building honoring Laura and her sister Lucy, the Sisters Chapel, was erected on campus in 1927.

The earliest academic program provided what was basically an elementary through high school education to a group of women, most of whom were former slaves. The program grew to a college-level curriculum, and in 1901 the first college degrees were conferred. By the twenty-first century, Spelman was offering academic programs in the humanities, child development, comparative women's studies, drama, economics, human services, anthropology, biochemistry, computer and information sciences, environmental science, and languages, as well as opportunities to study abroad and exchange programs with other American colleges.

In 1992, the school received the largest donation ever given to a historically black institution of higher learning, when the DeWitt Wallace/Reader's Digest Fund gave Spelman a gift of $37 million. That same year, *U.S. News and World Report* ranked the college as number one on its list of regional liberal arts college in the South. Spelman's endowment had grown to $141 million by 1996, the largest of any historically black institution of higher learning, and by 2009 its endowment had climbed to almost $292 million.

Although Spelman is a relatively small college, as a member of the Atlanta University Center consortium its students have access to the resources and faculty of five other African Amercan schools of higher learning, all within walking distance of the Spelman campus. Over the years, Spelman has graduated more than six generations of women, many of whom have reached the highest levels of academic, community, and professional achievement.

MATURE WEALTH

Laura's philanthropic bent had almost always centered on her church and the abolitionist leanings of her parents. When she married John, she had in him a soul mate who also believed in charitable giving. The Rockefellers donated money to numerous charities, with the size of their contributions growing with the steadily increasing amount of their wealth. In 1892, John and the American Baptist Education Society founded the University of Chicago, with John providing funds for the new school.

In 1881, the Atlanta Baptist Female Seminary was established to provide an elementary through high school education to black women, most of whom were former slaves. Two teachers from the Oread Institute, the college that Laura had attended, founded the seminary and taught its initial classes. John was made aware of the school and its financial needs in 1882, when he attended a Baptist conference in Ohio. He visited the school in 1884 and, impressed with its mission, paid off the school's debts. To acknowledge his support, the school's name was changed to Spelman Seminary in honor of his wife and her parents, who had been active in the antislavery movement. One of the seminary's buildings, Rockefeller Hall, was built with funds from the Rockefellers and dedicated in 1886; in the twenty-first century, this hall was the oldest building on the campus of what was now Spelman College. The Laura Spelman Rockefeller Memorial Building was completed in 1918.

In 1927, Sisters Chapel, considered one of the most important buildings on campus, was dedicated; the building was named for Laura and her sister Lucy Spelman, who had donated the majority of its funding. The chapel has an auditorium that seats more than one thousand people, as well as an elaborate pipe organ and chimes.

Laura remained very close to her parents and sister over the years, and when Lucy stopped teaching, she moved in with Laura, John, and their family. When

Laura's father died in 1881, her mother also moved in with the Rockefellers and lived with them until her death in 1897. When John and Laura's children grew up and married, some of the children lived nearby and the couple could enjoy regular visits with their grandchildren.

At the beginning of the 1900's, Laura's health began to fail, until by 1910 she was a semi-invalid, spending most of her days in bed. She and John were able to enjoy their golden wedding anniversary together on September 8, 1914, but she died the following spring of a heart attack. John established the Laura Spelman Rockefeller Memorial in 1918 in memory of his wife. The memorial's endowment reached almost $74 million during its eleven years of operation, and it made grants related to Laura's interests in missionary work and the welfare of women and children.

Legacy

While Laura Spelman Rockefeller herself did not make money, there is little doubt that she was a strong influence on her husband's resolve to give generously to various charities throughout the couple's lives. Her background as a child of antislavery activists had filled her with the desire to improve the lives of others, and to this end she encouraged her willing husband to endow schools and social service organizations that continue to provide service and support into the twenty-first century.

—Jane L. Ball and Chloe M. Ball

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Rockefeller, David. *Memoirs*. New York: Random House, 2002. Chapters deal with David's grandparents Laura and John D., describing how they helped to raise David.

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See also: Angela Burdett-Coutts; Phoebe Apperson Hearst; Abby Aldrich Rockefeller; David Rockefeller; John D. Rockefeller; John D. Rockefeller, Jr.; John D. Rockefeller III; William Rockefeller; Jane Stanford; Eleanor Elkins Widener.

WILLIAM ROCKEFELLER

American industrialist and financier

Rockefeller was a shrewd but well-liked manager of the Standard Oil Company. He helped his more famous brother, John D. Rockefeller, gain a monopoly on kerosene and other petroleum products in the late nineteenth and early twentieth centuries, and he later became a major investor in other companies.

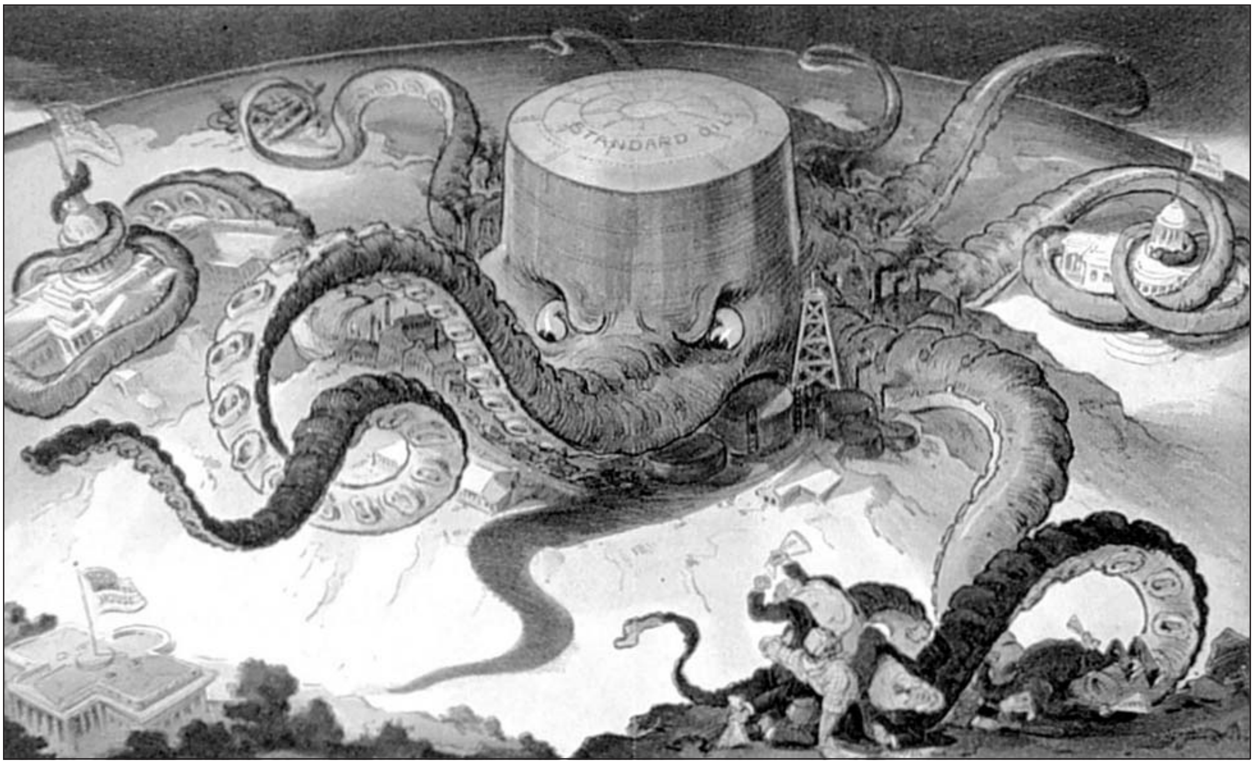
Born: May 31, 1841; Richford, New York
Died: June 24, 1922; Tarrytown, New York
Also known as: William Avery Rockefeller, Jr.
Sources of wealth: Oil; investments
Bequeathal of wealth: Children; relatives

EARLY LIFE

William Avery Rockefeller (RAW-keh-fehl-luhr), Jr., grew up in the small town of Richford, New York, where he attended local schools. The family moved to Strongsville, Ohio, in 1853, where he and his brother John D. Rockefeller attended Cleveland High School. The brothers became reasonably close friends and maintained this friendship throughout their lives. William's father, William Avery Rockefeller, Sr., sold patent medicine, and he had to make many trips away from home to promote sales. William's father taught both brothers about the positive and negative aspects of business. His mother, Eliza Davidson Rockefeller, had a hard time raising her sons because of her husband's long absences and heavy drinking.

FIRST VENTURES

In 1857, young William worked as a bookkeeper in Cleveland, Ohio. After a year, he went to work for a produce commission business, becoming a partner there in 1862. His brother John also went into the produce commission business in 1858, working for the firm of Clark & Rockefeller. John and his partner, M. B. Clark, built an



William Rockefeller was one of the directors of Standard Oil of New Jersey. In 1911, the U.S. Supreme Court ruled that this company had violated the Sherman Antitrust Act. This cartoon depicts the Standard Oil trust as an octopus, with its tentacles wrapped around the steel, copper, and shipping industries, as well as the U.S. Capitol and a state house. One tentacle reaches for the White House. (Library of Congress) oil refinery in Cleveland in 1863. In those years, kerosene was the primary product produced from oil.

John bought the firm from Clark in 1865 and started a new business, Rockefeller & Andrews, with Samuel Andrews. John convinced William to invest in Rockefeller & Andrews when the firm built a second oil refinery called the Standard Works. William accepted the offer, and he was put in charge of selling the refinery's products in New York City. William was a shrewd man who had a likable personality. In contrast to John, William did not believe in donating money to charities. William turned out to be a great export manager who was able to keep an eye on kerosene prices and ensure that the Ohio refineries produced the needed amount of oil. He also was able to borrow money for the refineries more cheaply in New York than in Ohio.

Mature Wealth

In 1870, the name of the firm was changed to Standard Oil of Ohio, with John as president and William as vice president. William supported John's efforts to acquire other oil companies. The Rockefellers purchased most of the oil companies in Cleveland, Ohio, in 1872, and they soon controlled nearly 90 percent of the refineries in the United States.

The control of these companies became complicated, since many state laws made it difficult for a company in one state to run a company in another state. Thus, the Rockefellers had to turn their companies into separate corporations in different states. These corporations were finally united into a single company called the Standard Oil Trust. William was one of the original trustees of this trust until the Ohio courts declared it illegal. The Rockefellers then reorganized the trust into Standard Oil of New Jersey, with William as director. He also became the president of Standard Oil of New York.

By the 1890's, William was making a fortune in Standard Oil, and he began to invest in gas, electric utilities, mining ventures, and railroads. In 1911, the U.S. Supreme Court ruled that Standard Oil of New Jersey had violated the Sherman Antitrust Act and ordered the company to be broken up into thirty-four smaller firms. By that time, William had given up the management of all of his companies, and he focused on his railroad investments.

Legacy

With his brother John D. Rockefeller, William Rockefeller built a major empire that controlled the production of all oil products from the late nineteenth to the early twentieth centuries. Many criticized the way that the brothers monopolized the industry and attacked Standard Oil for its size and wealth. Nevertheless, kerosene prices dropped by about 80 percent in these years, and the quality of the kerosene improved.

William's involvement in Standard Oil and his many investments made him a very wealthy man. When he died in 1922, he left his children an estate valued at about $100 million.

—*Robert L. Cullers*

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ANITA RODDICK

British businesswoman and activist

Roddick, one of the richest women in Great Britain, attained her wealth from The Body Shop, an international chain of cosmetic products made with natural ingredients. An environmentalist and activist for social change, she used her wealth to promote human and animal rights, rain forest preservation, and many other issues.

Born: October 23, 1942; Littlehampton, West Sussex, England
Died: September 10, 2007; Chichester, West Sussex, England
Also known as: Anita Lucia Perella Roddick; Anita Lucia Perella (birth name); Dame Anita Roddick
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Spouse; children; charity

EARLY LIFE

Anita Lucia Perella Roddick, better known as Anita Roddick (ah-NEE-tuh RAW-dihk), was the third of four children born to Italian immigrants and café owners. After her mother's divorce and marriage to Henry, her former husband's cousin, Roddick learned that Henry was her biological father. Henry helped transform the café. He gave Roddick comics and collectable cards that she could trade, providing her with her first marketing lessons.

Roddick trained to be a teacher at Newtown Park College in Bath, England. In 1962, she received a scholarship that enabled her to live on a kibbutz in Israel. Roddick later worked for the *International Herald Tribune* in Paris and then took a job in the women's rights department of the International Labor Organization in Geneva, Switzerland. She traveled widely, visiting Panama, Tahiti, Australia, South Africa, and other places, where she took note of the body care products available in these countries.

When her mother introduced her to Gordon Roddick, their rapport was immediate. The two married and had two daughters, Justine, born in 1969, and Samantha, born in 1971. The couple ran a bed-and-breakfast inn and an Italian health food restaurant in Brighton, England.

FIRST VENTURES

Gordon had always dreamed of riding horseback from Buenos Aires, Argentina, to New York, and the couple sold their restaurant to finance his eighteen-month, 5,300-mile trip. Anita continued to manage the inn, and in 1975 she began experimenting with techniques for creating cosmetics and body care products using natural ingredients. As a result, she developed fifteen products, secured a loan for $8,254 with the inn as collateral, and in 1976 opened her first store, The Body Shop, in Brighton. She later sold a 50 percent interest in the shop to Ian McGlinn, which gave her another $8,254. The first Body Shop was located between two mortuaries. Roddick used natural and herbal ingredients, such as honey, cucumber, avocado, cocoa butter, and oatmeal, to make her products, and she set up perfume bars in the store where customers could create their own fragrances. Her store received so much media coverage that she did not have to advertise.

After Gordon returned from his trip in 1977, he helped his wife with the business, providing Anita with more time for public speaking. The couple began selling franchises for The Body Shop in 1978 and opened a store in Brussels, Belgium, their first shop outside the United Kingdom. The Body Shop began selling its stock publicly in 1984, at which time the chain was worth 8 million, and Roddick's personal fortune was 1.5 million. The Body Shop established an environmental projects department in 1986, and that year the Confederation of British Industries named the chain the company of the year.

Roddick opened her first American store in 1988, and by then the chain consisted of two hundred stores in thirty-three countries. She continued her political and environmental activism. In 1990, she founded Children on the Edge, a charitable organization that provides aid to disadvantaged children in Eastern Europe and Asia.

MATURE WEALTH

Roddick was made a member of the Order of the British Empire in 1988, and by1990, she was one of the richest women in Great Britain. She used her wealth to promote social change. Roddick provided funding for *Big Issue*, a magazine produced and sold by homeless people. In 1992, Roddick joined with executives of Ben & Jerry's ice cream and other companies to organize Business for Social Responsibility. She supported environmental groups, such as Greenpeace and Save the Whales.

Roddick's concern for the environment and animal rights was evident in her management of The Body Shop. In addition to making her products from natural ingredients, she refused to test her products on animals. In 1996,

Anita Roddick. (AP/Wide World Photos)

she made a donation to the Fund for the Replacement of Animals in Medical Experiments. An advocate of the importance of skin care, Roddick also made financial contributions to the Skin Treatment and Research Trust. By 2000, seventeen hundred Body Shops were operating in forty-nine countries. Three years later, Roddick was made a Dame Commander of the Order of the British Empire.

Roddick suffered from hepatitis C and cirrhosis of the liver. In 1998, she stepped down from her position as chief executive officer of The Body Shop, and four years later Gordon resigned as cochair of the company. The L'Oréal Group bought The Body Shop in 2006, and Roddick earned profits of $231 million from the sale. Roddick died the following year at the age of sixty-four.

Legacy

Roddick's legacy was her concern for people, animals, and the environment, and she practiced the ethical behavior she preached. She donated the majority of her profits from the sale of The Body Shop to charity. Her donation of $1.8 million to Amnesty International continues to provide training to activists.

—*Anita Price Davis*

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See also: Elizabeth Arden; John H. Johnson; Helena Rubinstein; Jay Van Andel; Madam C. J. Walker.

NIKITA ROMANOV

Russian aristocrat and landowner

The owner of multiple estates and more than seven thousand serf households, with about thirty thousand peasants, Romanov was the largest landholder and serf owner among the Russian nobility in the mid-seventeenth century.

Born: c. 1607; Moscow, Russia
Died: December 21, 1654; Vyazma, Russia
Also known as: Nikita Ivanovich Romanov
Sources of wealth: Inheritance; real estate; slaveholding
Bequeathal of wealth: Relatives; government

EARLY LIFE

Born around 1607, Nikita Ivanovich Romanov (nee-KEE-tah ee-VAHN-oh-vihch roh-MAHN-of) came from an aristocratic family that first achieved prominence when one of its members, Anastasia, married Czar Ivan IV ("the Terrible"). Subsequently, after the tumultuous Time of Troubles at the beginning of the seventeenth century, the Romanovs became the dynasty that ruled Russia from 1613 to 1917. Nikita's cousins, Michael Romanov and Alexis, became the first Romanov czars, while his uncle Filaret was patriarch of the Russian Orthodox Church.

FIRST VENTURES

Although a scion of a nonroyal branch of Russia's ruling dynasty, Romanov grew up in and inherited great wealth. His father, Ivan, was the wealthiest magnate in the service of Czar Michael Romanov, owning estates in ten districts and more than seven thousand serf households. His family's wealth enabled Romanov in 1629 to present Michael's newly born son, the future Czar Alexis, with "costly gifts," an event earning Romanov his first mention in surviving Russian sources and placing him in the monarch's good graces. Ten years later, on July 12, 1639, Czar Michael appointed Romanov to the ceremonial office of court table attendant on the occasion of the czar's name day. In 1644, Romanov personally attended the czar at a banquet honoring Count Waldemar Christian of Schleswig-Holstein, the son of Denmark's King Christian IV. Waldemar had been invited to Russia as part of Michael's efforts to find an appropriate husband for his daughter Irene.

MATURE WEALTH

According to a governmental survey conducted in 1647-1648, Romanov, who had been promoted to boyar, the highest rank within the Russian aristocracy, on September 28, 1645, owned multiple estates that contained some 7,012 serf households. Such extensive possessions made Romanov the wealthiest Russian aristocrat and the second-richest man in the country. Two other aristocrats owned estates with 6,000 and 5,000 serf households, respectively; one individual possessed lands with 3,000 serf households; and eight aristocrats held lands with between 2,500 and 1,000 serf households. Only Czar Alexis exceeded Romanov as an owner of land and serfs, with the monarch possessing estates that contained 27,200 serf households, according to the records of the Bureau of the Grand Court.

Although a member of Russia's aristocratic elite, Romanov enjoyed great popularity with the lower strata of society in the city of Moscow, a fact exemplified in the spring of 1648, when Alexis assigned him to calm the misnamed Moscow Salt Tax Rebellion. This revolt was a popular uprising directed against Boris Ivanovich Morozov, the czar's brother-in-law and closest adviser, and Morozov's associates, whose political, military, and financial reforms angered and alienated Moscow's population. In the rebellion's aftermath, which saw Morozov exiled to a monastery, Romanov achieved his greatest political power, being appointed head of the Boyar Duma, the council of aristocrats that advised the czar.

Romanov's tenure as leader of the council proved short-lived. Following Morozov's return from exile in October, 1648, Romanov proclaimed himself ill and unable to continue to participate in government. During the last years of his life, Romanov lost favor with Czar Alexis. He died, unmarried and without heirs, on December 2l, 1654, in the city of Vyazma, his land and serfs reverting to the czar in accordance with Muscovite custom.

LEGACY

Nikita Romanov's significance is not to be found in his status as the wealthiest magnate in mid-seventeenth century Russia. Instead, it lies in his admiration for Western (European) culture, specifically German dress and music, in a country dominated by tradition and xenophobia. As a proponent of the West, Romanov was one of a small group of individuals who set the stage for the accelerated and extensive Westernization carried out by Czar Peter the Great during the first quarter of the eighteenth century.

—*Bruce J. DeHart*

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See also: Ivan Borisovich Cherkassky; Aleksandr Danilovich Menshikov; Grigory Stroganov; Felix Yusupov.

Rong Yiren

Chinese industrialist and politician

Rong, China's famed "Red Capitalist," showed great entrepreneurial ability when he was entrusted by Communist Party leader Deng Xiaoping to move China toward a new age of foreign investment and market-oriented commerce.

Born: May 1, 1916; Wuxi, Jiangsu Province, China
Died: October 26, 2005; Beijing, China
Also known as: Jung I-jen; Jung Yi-jen; the Red Capitalist
Sources of wealth: Inheritance; trade; manufacturing
Bequeathal of wealth: Children

Early Life

Rong Yiren (rahng ee-rehn) was born in Wuxi, a town in Jiangshu Province near Shanghai. At the time of his birth, the Rong family was the most established family of industrialists in China. They were also the richest, and their wealth surpassed that of the more famous capitalists of the Chinese republican era, such as T. V. Soong and H. H. Kung, whose prominence arose as much from their political connections to the Kuomintang Party as from their fortunes.

Rong's father, Rong Desheng, and his uncle, Rong Zongjing, opened their first bank in 1896 and their first flour mill in 1902. The Rongs eventually operated flour mills in Wuxi and expanded operations throughout China and internationally, with business ventures in cotton, milling, banking, and other commercial enterprises. In the 1930's, the Rongs operated thirty of Shanghai's roughly one hundred textile mills. Their companies helped to make Shanghai the industrial powerhouse of twentieth century China. Rong Desheng and Rong Zongjing became so wealthy that they were called the "Rockefellers of China." The Rongs lived in mansions containing ballrooms with parquet floors and mirrored banquet rooms. After Rong Yiren graduated from St. John's University in Shanghai, he took over management of twenty-four of the family's flour and cotton mills.

First Ventures

In October 1949, the Chinese Communists were victorious in their revolution, taking control of the nation. The wealthiest citizens of China, including members of the Rong family, fled the country, finding refuge with former

Rong Yiren. (Time & Life Pictures/Getty Images)

Great Wealth and Marxism

Marxism constitutes the most aggressive attack on the accumulation of great wealth in human history. Prior to the philosophy of Karl Marx, there had been other critiques of private wealth. For example, Pierre-Joseph Proudhon, the French anarchist, declared that "property is theft," and he called for the abolition of money. However, it was Marx who claimed to have developed a scientific understanding of economics in which the accumulation of capital was viewed as nothing more than the exploitation of workers.

Marx's theory of scientific materialism laid the basis for twentieth century expropriations of private property—and often for the liquidation of its holders. In *Manifest der Kommunistischen Partei* (1848; *The Communist Manifesto*, 1850), Marx wrote, "The theory of the communists may be summed up in the single sentence: Abolition of private property." Although communist theory stated that wealth belonged to the laborers who created it, in twentieth century communist states the practice was for wealth to end up in the hands of the government, which, it could be argued, used this capital to inflict unprecedented misery.

Nevertheless, the relationship between Marxist states and the wealthy was not as predetermined as Marxist theory would predict. In proclaiming his New Economic Policy in 1921, Soviet leader Vladimir Ilich Lenin realized that the survival of the Soviet economy depended on allowing some private wealth and market development. The American industrialist Armand Hammer was sympathetic to the Soviet Union and was glorified in Soviet propaganda. Hammer spent his ninetieth birthday in China, where he was feted at the Great Wall Hotel in Beijing. Hammer had invested millions of dollars in China, and China's new entrepreneurial class was in attendance at his celebration. The wealthy Chinese industrialist Tan Kah Kee, who for many years had lived outside the country, returned to China in 1950 after the Communist Revolution and was an honored citizen of the People's Republic of China until his death in 1961.

While the Soviet and Chinese Communist regimes brutally executed the remnants of what they declared to be a feudal class—aristocrats, landlords, and wealthy peasants—they often spared the lives of capitalists. According to Communist ideology, Russia and China would need to pass through a stage of capitalism on their way to a socialist paradise, and in this initial phase these nations would need capitalists like Chinese businessman Rong Yiren. However, the Russian and Chinese Communists also believed that once the phase of capitalism was completed, whatever this might mean in practice, the capitalist class could look forward to its own extermination.

Chinese leader Chiang Kai-shek on the island of Taiwan or in the British colony of Hong Kong, as well in Western havens such as San Francisco and London. Although probably the wealthiest person in China, Rong Yiren did not flee. The Communist government was desperate for capital and eager to showcase Rong's decision to remain in China as both patriotic and prudent. However, it probably was uncomfortable for Rong to be a famous capitalist in the world's most rabidly Marxist state, and his position in the People's Republic of China was precarious. In later interviews, Rong stated that he remained in China because he believed that he could help alleviate the nation's poverty. The leader of the People's Republic of China, Mao Zedong, labeled wealthy industrialists and bankers who remained "national capitalists" and promised them a place in the "new" China, even while remnants of the aristocratic and landholding elite were being liquidated. Rong was allowed to continue operating his businesses, but he submitted a large portion of his profits to the state.

In 1950, Rong became a member of the Shanghai Finance and Economic Committee and a general adviser to the Communist Party on economic matters. Vice Premier Chen Yi labeled Rong the "Red Capitalist." Even when Rong's industries were nationalized in 1956, along with other privately held companies, he was treated with courtesy. Rong was paid more than $6 million in compensation, given charge of the Maoxin flour mill, and appointed vice mayor of Shanghai, China's most industrial city. When he moved to Beijing in 1959, he became vice minister of the textile industry.

However, these privileges were not enough to enable Rong to escape the ravages of China's Cultural Revolution, which threw the nation into tumult from 1966 to 1969 and resulted in the deaths of millions of people. Rong and his wife were abused by the Red Guards, Mao's ideological fanatics. His wealth was confiscated, his home looted, his artworks smashed. He was compelled to work as a janitor.

Mature Wealth

With the death of Mao and the arrest of his widow, Jiang Qing, and the "Gang of Four" in 1976, China entered a new stage. Deng Xiaoping took the reins of government, determined to make China an economic power. In 1978, Deng launched his reform campaign, looking to replace China's moribund state economy with a modern, global economy fueled by private capital and entrepreneurial initiative. Deng's motto, "To be rich is glorious," was printed on posters hung throughout China. It was a moment in Chinese history tailor-made for Rong, who had abided thirty years of Mao's ideological upheavals.

Deng asked Rong to create the China International Trust and Investment Corporation in 1978, with Deng pouring billions of dollars into this enterprise. The company's mission was to reform China's state economy by attracting foreign investment and technology. Under Rong's leadership, the corporation grew rapidly and became a transnational conglomerate. It bought land in Hong Kong and invested in companies in North America. Rong was allowed to retain a share of the company's profits. In 1987, he held a Rong family reunion in Beijing, with Deng in attendance, to celebrate the turn of events. Rong was also made a director of the Bank of China and a member of the Standing Committee of the People's National Congress. He dressed handsomely in the garb of a Chinese professional, accented with fine Western accessories. Rong's only son, Rong Zhijian, known in the West as Larry Yung, assisted his father in the activities of the China International Trust and Investment Corporation. As proof of their success, the heads of China's Communist Party vied to have their sons and daughters placed in key posts in this corporation.

The brutal massacre of students in Tiananmen Square in 1989 was a setback to Deng's economic reforms, as China faced boycotts and economic sanctions from other nations. Rong is alleged to have written a letter to the Communist Party, in which he urged peaceful negotiations with student demonstrators. Nevertheless, after Deng's crackdown on protest, Rong was allowed to continue as president of the China International Trust and Investment Corporation and worked to attract investment, particularly from South Korea and Taiwan. In 1993, he was appointed vice president of China. He retired in 1998. At his death in 2005, Rong's fortune was estimated at almost $2 billion. His son Larry Yung inherited his father's fortune and his role in assisting China in the world of international finance and enterprise.

Legacy

Few people have straddled two worlds as dramatically or successfully as Rong Yiren. Heir to the greatest fortune of pre-Communist China, he made the shocking decision to remain on the mainland after the Communists seized power. Alternately praised and abused in China's ideological windstorms, his time came in what can be called the second revolution of Communist China—the market reforms of Communist Party leader Deng Xiaoping. Deng successfully called upon Rong's expertise, and Rong took the lead in attracting foreign investment to China and aggressively investing China's reserves in overseas industries. Although considered China's richest citizen at his death, his true legacy is having helped usher in a new world of international finance and market reform in what had once been the world's most ideologically driven and relentless Marxist state.

—*Howard Bromberg*

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See also: Lee Shau Kee; Liu Yongxing; Tan Kah Kee.

Roscius

Roman actor

Roscius, an actor, amassed a huge fortune and gained great respect. These accomplishments were remarkable in ancient Rome, where actors were typically seen as little better than criminals and often barely managed to earn enough money to survive.

Born: c. 126 B.C.E.; Solonium (now in Italy)
Died: 62 B.C.E.; Rome (now in Italy)
Also known as: Quintus Roscius Gallus
Source of wealth: Acting
Bequeathal of wealth: Unknown

Early Life

Quintus Roscius Gallus, better known as Roscius (ROH-shee-uhs or ROH-shuhs), was born in a small village called Solonium near Lanuvium (now Lanuvio, Italy). The often-repeated story that he was born into slavery is now thought by some authorities to be specious, based on a misunderstanding of Pliny the Younger's remarks about Roscius or else on Pliny's own misunderstanding of Roscius's background. Next to nothing is known of Roscius's parents or his personal life, including whether he married and had children.

First Ventures

It is not certain what prompted Roscius's interest in acting or at what age he began his theatrical career, but he most likely started acting when he was a boy or very young man. He seems to have quickly made a name for himself, primarily as a comic actor, although he did appear occasionally in tragedies. He soon became one of only a handful of Roman thespians to become what later generations would label a superstar, and a number of ancient writers note his remarkable popularity with all sorts of theatergoers. He was a handsome man, another trait much commented upon by contemporary Roman writers. As he grew older, he developed a problem with his eyes, usually described in English translations of Latin texts as a "squint." This affliction may be the reason that he later wore a mask on stage, in the manner of Greek actors. His use of a mask was an innovation in Roman comic theater, and other actors soon began to follow the popular actor's lead and to also wear masks.

Mature Wealth

Roscius studied the oratorical skills of his friend Cicero, who once defended him in a notorious court case, and other famous speakers. Roscius excelled in playing the *leno*, the comic stock character of the avaricious pimp or slave trader, his most famous depiction of which was that of Ballio in Plautus's *Pseudolus* (191 B.C.E.; English translation, 1774). He taught acting and wrote a treatise on the craft.

The widespread popularity of Roscius inspired the dictator Lucius Cornelius Sulla to elevate him to equestrian rank. To be eligible for this ennobling, ceremonially conducted by the bestowing of a gold ring, the actor would have to have possessed a net worth of at least 400,000 sesterces. Converting ancient monetary units to modern equivalents is difficult, but some sense of how significant this amount is can be suggested by comparison. For example, a Roman legionnaire at the beginning of the common era earned only about 1,200 sesterces a year, and Pliny the Younger indicates that a farm cost about 100,000 sesterces. Pliny also mentions that the comic poet Juvenal insisted that a Roman of his day could live free of economic worries on 20,000 sesterces a year. If one compares these numbers to some authorities' estimations of the annual income of Roscius—approximately 600,000 sesterces—the extent of his wealth appears staggering. The references of his contemporaries to changes in his appearance over time, such as the lessening of his good looks and the development of the "squint," imply that his career was lengthy. However, even if his heyday consisted of only ten years, he may have earned about 6 million sesterces in that decade.

Legacy

While it is uncertain what happened to Roscius's wealth upon his death, his legacy remains clear in other ways. His rise to fame and the respect he earned in a much-disparaged profession truly is a classic rags-to-riches story of personal triumph. His expertise in his craft kept his name alive for millennia in the English language. Eminent British actors, such as Richard Burbage and David Garrick, were often referred to by the admiring epithet of "Roscius." As late as the 1860's in the United States, the term "the African Roscius" was used to describe Ira Frederick Aldridge, one of the first African American actors to play serious dramatic roles.

—*Thomas Du Bose*

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See also: Claudius Aesopus; Marcus Licinius Crassus; Gaius Maecenas.

JULIUS ROSENWALD

American merchant

Rosenwald was an executive of Sears, Roebuck and Company and made the retail chain a national giant. He was also an important philanthropist, helping to build schools for African Americans across the South and to found Chicago's Museum of Science and Industry.

Born: August 12, 1862; Springfield, Illinois
Died: January 6, 1932; Chicago, Illinois
Source of wealth: Retailing
Bequeathal of wealth: Educational institution; museum

EARLY LIFE

Julius Rosenwald (ROHZ-ehn-wahld) was born and raised in Springfield, Illinois. At the age of sixteen, he was apprenticed to a relative in New York City to learn how to make clothes. Rosenwald made a number of connections while he was in New York that would help him in later years, including establishing friendships with Henry Goldman, later a partner in the Goldman Sachs investment bank, and Henry Morgenthau, Jr., who served as secretary of the Treasury during the administration of Franklin D. Roosevelt.

When his apprenticeship was completed, Rosenwald and his younger brother Morris went to work for a clothing firm. However, the firm closed as a result of an economic downturn in 1885, and Rosenwald decided to move to Chicago.

FIRST VENTURES

In Chicago, Rosenwald and Morris started another clothing company that manufactured standardized clothing, which was becoming more fashionable. The Rosenwald brothers joined with a cousin, Marcus Weil, to organize their company. The firm did relatively well, and one of their prime customers was Sears, Roebuck and Company, which originally made watches and had started to diversify by the early 1890's. Alvah C. Roebuck retired from the business in 1895, and his partner, R. W. Sears, was looking for investors. Sears turned to Aaron Nusbaum, Rosenwald's brother-in-law, who in turn recruited Rosenwald as an investor. Rosenwald was made vice president of Sears, Roebuck in 1895.

MATURE WEALTH

Rosenwald served as vice president from 1895 to 1908, and he then replaced Sears as the company's president from 1980 to 1924; he was chairman of the board from

Julius Rosenwald. (©Bettmann/CORBIS)

1924 until his death in 1932. During these years with the company, Rosenwald helped Sears, Roebuck greatly expand its retail business. In the 1890's, the firm moved into the general merchandising market, offering a wide array of goods, which expanded its catalog and mail-order sales. The company also began selling its merchandise at a chain of stores.

Rosenwald carefully and methodically selected the items to be sold in the company's stores. In the 1910's, he was one of the first businessmen to create a profit-sharing plan for his employees, and he supported efforts to increase the wages of salesclerks. Rosenwald also transformed Sears, Roebuck into a publicly traded firm, with his friend Goldman helping to prepare the initial public offering.

After World War I, Sears, Roebuck's sales plummeted. The company, unable to predict this decline, had not scaled back its inventory of merchandise and was close to declaring bankruptcy. Rosenwald loaned the company $21 million of his own money in 1921, enabling the firm to prosper and return to financial stability the following year.

During his years at Sears, Roebuck, Rosenwald participated in philanthropic and public service work. He established the Rosenwald Fund in 1917 to provide financial assistance to those in need, particularly targeting African Americans and Eastern European Jews. To help African Americans, he provided funding to establish five thousand schools throughout the South, with the stipulations that the communities in which the schools were located would raise matching funds and that white people in these communities would assist in the fund-raising efforts. This last stipulation was Rosenwald's attempt to combat the prevalent racism of the South.

Rosenwald also assisted universities. He was a trustee of Tuskegee University for two decades, and he helped to fund buildings at several African American colleges. His foundation endowed thousands of scholarships for deserving students. He also financed dental clinics and helped to build Young Men's Christian Association (YMCA) facilities in African American areas. Rosenwald believed there was a need for moderate-income housing, and to this end he built the Michigan Boulevard Garden Apartments in Chicago. The complex contained four hundred housing units, gardens, and a playground. Rosenwald was active in a variety of other ventures, including assisting the National Urban League.

During World War I, Rosenwald was a member of the Council on National Defense, visiting American troops who were stationed overseas. He also served on President Woodrow Wilson's Industrial Conference. Rosenwald believed the U.S. government should provide assistance to rural areas, and he was influential in getting the Department of Agriculture to send out county extension agents.

Rosenwald was the first person to endow Chicago's Museum of Science and Industry, eventually providing more than $5 million to create the institution. He served as the museum's president from 1927 to 1932.

The Museum of Science and Industry, Chicago

The Museum of Science and Industry in Chicago is the largest museum of its kind in the world. It is housed in a building that is more than one hundred years old and was originally built for the World's Columbian Exhibition in 1893.

Julius Rosenwald was one of the driving forces behind the museum. He was said to have gained his inspiration for the institution from a museum in Munich, Germany. In 1926, he pledged $3 million to construct a similar museum in Chicago, and he later provided an additional $2 million. Rosenwald also served as the museum's president from 1927 to 1932. He died a year before the building opened to the public in 1933.

Since then, the museum has continued to grow and develop. Some of the original exhibits are still on display, including a huge model train and a coal mine. Over the years, however, more modern technology has been featured, with areas devoted to space flight and the only captured German submarine from World War II. A full-scale Boeing 727 jet, a replica of the Wright brothers' aircraft, an Apollo spacecraft, and one of the fastest trains from the 1930's are all permanently displayed. The museum also presents rotating exhibits, including some that focus on the latest technologies, such as an eco-friendly house.

The museum's overall goal—to educate the public about science—has not changed. It was one of the first museums to have hands-on exhibits, which continue to be one of its hallmarks. The museum has used new technology to make some of its exhibits even more interactive. Rosenwald greatly believed in education for the underprivileged, and he would have been proud to learn that the Museum of Science and Industry has created partnerships to provide instruction to inner-city children. The museum also offers workshops for teachers. It uses its Web site to bring educational resources to many different groups, including providing online activities that students and teachers can conduct in the classroom.

Legacy

Rosenwald's legacy is found in two areas: education and the creation of the Museum of Science and Industry in Chicago. At a time when most southern states had few high schools and colleges, most of which were underfunded, Rosenwald provided money to existing elementary and secondary schools and established a network of African American schools. Without his schools, thousands of African American students in the South would not have received an education. It is estimated that more than 600,000 students a year received an education at the schools he built or helped fund.

Rosenwald's other significant contribution is the Museum of Science and Industry. One of the first museums to focus on the sciences and technology, by the twenty-first century it was the largest museum of its kind in the world. To many, it is a model of what a museum of science and industry should be.

—*Scott A. Merriman*

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See also: Marshall Field; Alexander Turney Stewart; Nathan Straus; John Wanamaker; F. W. Woolworth.

First Baron Rothschild

British banker and politician

Rothschild used his family's immense wealth and financial reputation to play a political role in influencing British policy both at home and abroad. His lack of initiative in pursuing new financial avenues left an opening for other banks and reduced the ubiquity of the Rothschild name.

Born: November 8, 1840; London, England
Died: March 31, 1915; London, England
Also known as: Nathan Mayer Rothschild (birth name); Sir Nathan Mayer Rothschild; Natty Rothschild
Sources of wealth: Inheritance; banking
Bequeathal of wealth: Spouse; children; charity

Early Life

The first baron Rothschild (ROTH-child) was born Nathan Mayer Rothschild. His family was one of the wealthiest in England. He grew up in London and was educated by private tutors. His academic accomplishments in areas like the humanities outstripped his mathematical skills. He went to Cambridge University in 1859, but he left Trinity College three years later without completing his degree. One benefit of his college years was getting into the circle of Queen Victoria's eldest son, the prince of Wales, although there is no evidence that Rothschild was attracted by the moral laxity that prevailed there.

First Ventures

On leaving Cambridge, Rothschild entered the family firm of N. M. Rothschild and Sons, which was under the direction of his father, Lionel Nathan Rothschild. In 1867, he married Emma Louisa, a cousin from Frankfurt, in accordance with the endogamous practice of the Rothschild family. Rothschild lived in London, and after his father's death he moved into the house in which he grew up. Of his three children, his elder son became a zoologist, but his younger son Charles was to succeed him at the bank. Rothschild himself succeeded to the directorship of the Rothschild family firm on the death of his father in 1879.

First Baron Rothschild. (The Granger Collection, New York)

Mature Wealth

Rothschild was more concerned with preserving the sources of the family's wealth than with following the tradition of his grandfather's pursuit of new avenues for investment and trade. The family had long been a mainstay of international lending at the governmental level, and Rothschild was content with continuing these financial dealings. By temperament he was averse to risk and sought to avoid anything savoring of danger. For example, he refused to insure the RMS *Titanic* on its maiden voyage, a decision for which he was ridiculed at the time. His financial conservatism also enabled him to save Barings Bank, the best known of his competitors, when the institution needed help to avoid bankruptcy. On the other hand, his financial assistance for Cecil Rhodes's adventures in Africa proved to be a boon, although the initiative may have been a political gesture in support of the British Empire rather than a financial transaction.

He was perhaps happier outside the offices of his company. Rothschild was elected a member of Parliament in 1865, when he was a candidate from a riding that included one of his family's estates. He remained in the House of Commons for two decades, although he was not politically active in this role. He preferred to exercise his influence with the government in private. In particular, he was worried throughout his life about the Russian government's tolerance for the persecution of Russian Jews, and his support of the British government depended on its readiness to stand up to Russia. His company even refused to make loans to Russia in the hope that this action would alter the political climate there. He was elevated to the peerage by Prime Minister William Ewart Gladstone in 1885, the first British Jew to be so honored. In addition to his political efforts on behalf of Russian Jews, he was a generous supporter of efforts to assist immigrants from Russia who moved to England.

As Rothschild grew older, his deafness increasingly kept him out of society, although he remained on close terms with leading politicians, such as Arthur Balfour. At the time of his death in 1915, he left an estate of more than £2.5 million, and his funeral attracted a crowd of five thousand.

Legacy

Rothschild's career in the world of finance depended on his coming into the firm founded by his grandfather and cultivated by his father. He was able to pass along a healthy company to his son, but the events of World War I that were sweeping over Europe interfered with the international organization of the Rothschild family. Dealing with the changed world after the war was left to the next generation, but Rothschild himself lived in a way that showed that Jews were accepted as part of the British political and social structure as never before.

—*Thomas Drucker*

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See also: Francis Baring; August Belmont; Anthony Joseph Drexel; Béatrice Ephrussi de Rothschild; Samuel Loyd; Andrew Mellon; Richard B. Mellon; Moses Montefiore; J. P. Morgan; Cecil Rhodes; James Mayer Rothschild; Mayer Amschel Rothschild; Nathan Mayer Rothschild; Georg von Siemens.

James Mayer Rothschild

French banker and winery owner

Rothschild headed the Paris branch of the Rothschild family bank. Supplying credit to cash-starved governments and investing in railways, he assisted in the industrialization of Europe.

Born: May 15, 1792; Frankfurt am Main (now in Germany)
Died: November 15, 1868; Paris, France
Also known as: Jakob Mayer Rothschild (birth name); Baron James Mayer de Rothschild
Sources of wealth: Inheritance; banking
Bequeathal of wealth: Spouse; children

Early Life

James Mayer Rothschild (MI-uhr ROTH-child) was born Jakob Mayer Rothschild in Frankfurt am Main, the youngest of the five sons of Mayer Amschel Rothschild and Guttle Schnapper Rothschild. Mayer had risen from the Jewish ghetto to become a leading banker in what is now Germany. He established a banking partnership among his five sons, sending them to the financial capitals of Europe: Amschel to Frankfurt, Nathan to London, Salomon to Vienna, Calmann to Naples, and James to Paris. James arrived in Paris in 1815, and armed with Rothschild capital he quickly became the leading banker in the country. In this tumultuous period of French history, French kings, aristocrats, and governments relied on him for loans.

First Ventures

Rothschild was eager to ascend in French society. In 1817, he moved to Paris's chief financial district in the ninth arrondissement (administrative district). He purchased a summer house with a three-acre garden at Boulogne-sur-Seine. A year later, he moved into a commodious *hôtel* (private mansion) on the fashionable rue Laffitte. In 1822, he was made a baron of the Austrian Empire. In 1824, he married his niece Betty Rothschild. They would have five children: Charlotte, born in 1825; Alphonse, in 1827; Gustave, in 1829; Salomon, in 1835; and Edmond, in 1845. In 1829, Rothschild purchased a twelve-hundred-acre hunting estate in Ferrières, a suburb of Paris, replete with a historic château (castle). James and Betty made forays into French high society, hosting several full-scale balls and state dinners featuring sumptuous and elaborate cuisine.

After the 1830 revolution in France, Rothschild played a major role in stabilizing the nation's finances. In the1840's, he invested heavily in French railways, helping make France a modern industrial power. During the 1848 revolutions in Paris and other parts of Europe, Rothschild labored to preserve unity among the five branches of his family's bank. In 1850, he wrote a significant letter to his nephew Lionel, who had assumed control of the powerful London branch of N. M. Rothschild and Sons from his father Nathan. James warned that if the dissension in the family's banking business was not healed, the Rothschild wealth was in danger of falling into the hands of outsiders. "It is easier to break up a thing than to put it back together again," he wrote.

In 1852, under James's leadership, a new partnership agreement among the Rothschild sons was arranged. James was allotted 20 percent of the Rothschild capital, worth £1,847,083. In 1855, his share was increased to 25 percent, worth £2,727,987. Under his astute management, the Paris branch outstripped the other Rothschild banks in the accumulation of capital. In 1818, when the five banking branches were established, the London branch was capitalized at £742,000, Frankfurt at £680,000, and Paris at £350,000; in 1852, Paris had the most capital, with £3,542,000, compared with Frankfurt at £6,694,000 and London at £2,500,000. In 1874, Paris had far outstripped the other branches, with capital of £20,088,000, while London had £5,922,000 and Frankfurt had £4,735,000.

Mature Wealth

A secret of the Rothschilds' success was their ability to operate as a cohesive unit, a strategy initially developed by Mayer Amschel Rothschild and continued in the second generation by James. With branches throughout Europe, the family held a remarkable advantage over competing bankers. The Rothschilds were fanatically insular. Determined to maintain their money within the confines of their family, they tended to marry their own nieces and cousins. They did intermarry with the Sassoons, a like-minded Jewish family of merchants who had accumulated their fortune in Persia and India; two of James's grandchildren would marry Sassoons.

James's primary business activity was lending money to the governments of Europe at a time when countries had not established stable bond markets. Although he was cautious in dealing with the succession of Bonapartist and royalist governments of France, he became the leading financier of his adopted nation. In the 1850's, he made several large loans to Prussia. In 1849, he loaned about 150 million lire to the Kingdom of Piedmont-Sardinia. From 1850 to 1857, he loaned the Vatican about 150 million francs, a large portion of the papal debt.

In 1855, Rothschild and his brothers formed the Creditanstalt group of banks in order to dominate the finances of the Austro-Hungarian Empire. With the Creditanstalt and other firms, Rothschild financed railroad construction throughout Europe. In association with the German Jewish banker Gerson von Bleichröder, he helped fund Otto von Bismarck's consolidation of the German territories. Because of their substantial loans to all of Europe's nations, the Rothschilds were a natural force for stability and peace in Europe. James advocated for the Anglo-French rapprochement that would prove one of the dominant new alliances of modern Europe.

James Mayer Rothschild. (Archive Photos/Getty Images)

Rothschild commissioned the leading English architect Joseph Paxton and builder George Myers to construct an 18-million-franc mansion in Ferrières. Completed in 1860, this residence featured more than eighty rooms filled with paintings by masters such as Sir Anthony van Dyck, Peter Paul Rubens, and Diego Velázquez. An underground railway connected the dining room to the kitchen. Paxton designed a fantastic assemblage of ponds, bridges, hothouses, greenhouses, conservatories, gardens, and miniature farms filled with exotic animals. Rothschild also purchased Château Lafite, one of France's great wineries, for 4.1 million francs in 1868.

Rothschild's philanthropy seemed motivated as much by public relations as by good intentions. For example, in 1852 he built a new Jewish hospital in Paris and funded a new synagogue, two new orphanages, and a soup kitchen in the rue de Rivoli. He subsidized several authors, including Honoré de Balzac. Nevertheless, he was the inspiration for the unflattering character of Gundermann in Émile Zola's novel *L'Argent* (1891; *Money*, 1891), and for the character Nucingen in Balzac's novel *Le Père Goriot* (1934-1835; *Père Goriot*, 1860), reappearing in much of Balzac's *La Comédie humaine* (1829-1848; *The Comedy of Life*, 1885-1893, 1896). As wealthy Jewish capitalists, the Rothschilds were targets of all manner of anti-Semitic attacks.

James Rothschild died in 1868 at the age of seventy-six. Niall Ferguson, who has written a biography of the Rothschild family, maintains that James was one of the richest men in history. When James died, newspaper accounts estimated his cash holdings alone at between 1,100 and 2,000 million francs, which would have amounted to about 8 percent of the French gross national product and would be worth about $100 billion in 2010 dollars. Ferguson, however, calculates a less staggering figure for Rothschild's estate. He estimates Rothschild's cash holdings at 20 million francs; his extensive real estate holdings in the rue Laffitte, Ferrières, Boulogne, and Château Lafite at 30 million francs; and his stake in the Rothschild business at 143 million francs, for a total of 193 million francs. However, even this amount does not include the value of Rothschild's private portfolio of securities or his immense art collection. In the end it might be enough to say that in terms of financial holdings, partnerships, and influence, the Rothschilds held the greatest private fortune in history, and James was the wealthiest member of the family.

As specified in James's will, the bulk of his estate was left to his widow Betty. A large proportion of the residual properties were bequeathed to his oldest son, Alphonse, with the remainder equally divided among his other sons and daughters. Rothschild also left money to his grandchildren, daughters-in-law, other relatives, and servants.

Legacy

A member of a family whose wealth rivaled only that of the Rockefellers, James Mayer Rothschild played a pivotal role in his family's fortunes. In the century from 1815 to 1914, the Rothschilds were the wealthiest family in the world, their capital and influence without rival until the creation of other banking and industrial conglomerates in the 1880's. James inherited his father's business abilities and was perhaps the most capable of the five Rothschild sons. He built the family's Paris branch into a financial titan.

James was allied most closely with his older brother Nathan. Together, they forged an English-French banking alliance that not only dominated European finance but also prefigured the French-British rapprochement of the late nineteenth century. The governments of Europe relied on the Rothschilds in an age when there was no reliable system of sovereign bonds to raise capital. In his elaborate social functions, his Ferrières mansion and grand art collection, and his acquisition of the Château Lafite winery, James Mayer Rothschild symbolized the transition of the Rothschild family from a group of Jewish financiers outside the social mainstream to members of the highest echelons of European society.

—*Howard Bromberg*

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Food, Wine, and Wealth

In a sense, wealth began as food. In primitive times, when starvation was omnipresent because of droughts, floods, fire, rain, ice, locusts, spoilage, mold, and other difficulties, the ability to accumulate food represented wealth. Storehouses of grain, fields of wheat and rice, vineyards, domesticated livestock, fishing barges, and slaves to work farms, paddies, and rivers were the first source of excess riches. For most of humankind, existence consisted of heavy labor to eke out daily sustenance, enough calories to sustain another day of work. For the wealthy, however, food could be a luxury, with gourmet delicacies transported from across the globe or cultivated and stored with intensive human labor and prepared with great expertise to equip the finest tables.

Ancient Western texts refer to the fatted cows and delicious wines served to the wealthy on festive occasions. The Chinese have been producing fine cuisine for several millennia. However, the global culture of fine dining did not exist until the explosion of worldwide trade in the Middle Ages. At this time, spices and teas were obtained from the East at great cost. Pasta became a dish for the wealthy people of Italy. European aristocrats developed a taste for caviar, the prized delicacy of Russian royalty. In fact, much of the increase in trade during the late Middle Ages was prompted by the desire to obtain ingredients from faraway cultures for the markets of Europe. The rich dined on herring, lobsters, oysters, grouse, pigeon, caviar, truffles, chocolates, cakes, mustards, all kinds of spices, and other delicacies.

Beginning in the late Middle Ages, fine restaurants were established that catered to the tastes of wealthy diners. The Wierzynek in Kraków has served the Polish nobility roast game, including quail, deer, duck, and boar, since 1364. The Owariya in Kyōto, Japan, has served varieties of Japanese soba and udon noodles since 1465. La Procope opened in Paris in 1686, catering to the leading members of French society for several centuries. Nearby, Tour d'Argent has been showcasing haute cuisine for four centuries, individually pressing and numbering each of its famous duck dishes. Botin, a restaurant in Madrid, has featured Spanish specialties of suckling pig and roast lamb since 1725. In the nineteenth century, aristocrats dined at Delmonico's in New York City, the Union Oyster House in Boston, Yar in Moscow, Rules in London, and Maxim's in Paris.

The most expensive food product is wine. A 1784 bottle of the famous Château d'Yquem Sauterne sold for $56,588 in 1986; a 1945 bottle of Château Mouton Rothschild sold in 1997 for $114, 614. James Mayer Rothschild's Château Lafite winery, famous for producing "the king's wine," dates from the seventeenth century, and Rothschild's purchase of this winery represented the symbolic entry of the Rothschilds into the world of high society. Château Lafite also produced the most expensive bottle of wine ever sold: a bottle from 1787 bottle that cost $160,000 in 1985.

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See also: Clarence Dillon; Béatrice Ephrussi de Rothschild; Nicholas Longworth; First Baron Rothschild; Mayer Amschel Rothschild; Nathan Mayer Rothschild; David Sassoon.

MAYER AMSCHEL ROTHSCHILD

German merchant and banker

Although Rothschild began and ended his life in a German Jewish ghetto, he managed to grow wealthy and forge strong business relationships with royalty. Thanks to the accumulated wealth, influential connections, business skills, and philosophy of family unity that he passed down to his five sons, Rothschild's descendants quickly rose to prominence as powerful international financiers.

Born: February 23, 1744; Frankfurt am Main (now in Germany)
Died: September 19, 1812; Frankfurt am Main
Also known as: Meyer Amschel Rothschild
Sources of wealth: Banking
Bequeathal of wealth: Spouse; children; charity

EARLY LIFE

Mayer Amschel Rothschild (MI-uhr AM-shehl ROTH-child) was born in 1744 in the Judengasse, or Jews' alley, the Jewish ghetto of Frankfurt am Main (now in Germany). He was the fourth of eight children (five of whom survived childhood) born to Schöenche Lechnich and Amschel Moses Rothschild. Mayer and his siblings learned business at an early age from their father Amschel, who was a lower-middle-class merchant and money changer. Money changing was a critical part of conducting business in mid-eighteenth century Germany, which was a patchwork of small independent states with their own currency systems. Through his father's business, Mayer learned about exchange rates and developed an interest in rare and historically valuable coins. The boy received a traditional Jewish religious education, first in the Judengasse and later at the Jewish seminary in Fürth near Nuremberg. In 1755, a smallpox epidemic claimed his father's life; his mother died nine months later.

FIRST VENTURES

In 1757, at the age of thirteen, the orphaned boy moved to Hanover, where family connections had secured him an apprenticeship at the Oppenheimer Bank. There Rothschild learned the rudiments of banking. He also became acquainted with a general named von Estorff, an ardent coin collector, who employed the savvy Rothschild to locate and buy valuable coins on his behalf.

Around 1763, Rothschild returned to Frankfurt. He joined his brothers Moses and Calmann Rothschild in running the family pawnshop, secondhand-goods business, and money changing bureau. He also began to develop a business of his own: a trade in old coins, medals, jewels, curios, and antiques. His acquaintance with von

Estorff proved invaluable, as the general knew Prince Wilhelm of Hanau. Through von Estorff, Rothschild forged a business relationship with the prince, who was interested in investing in rare coins and medals. In 1769, after years of selling to the prince, Rothschild requested and received from Wilhelm the designation of "court factor," essentially an official acknowledgment that Rothschild had done business with royalty. The prestige of the factorship no doubt helped him advance as a merchant; it may also have played a part in his winning the hand of Guttle Schnapper, the daughter of well-to-do Judengasse tradesman Wolf Schnapper. Rothschild married Guttle in 1770 and received a considerable dowry of 2,400 gulden. Beginning around 1771 and for the next twenty years, Rothschild had a catalog of his old coins, medallions, and antiques printed for distribution to royalty and other wealthy potential customers.

Mature Wealth

Between 1771 and 1779, Rothschild's income averaged 3,835 gulden annually, making him wealthier than many of Frankfurt's more prosperous Christian citizens. He expanded his business to include trade in goods such as coffee, sugar, rabbit pelts, and English cloth. He also began to act as a banker, providing small loans, letters of credit, and capital transfers. Prince Wilhelm had sufficient need of Rothschild's services, and in 1783 Wilhelm's representatives intervened with Frankfurt authorities in order to obtain a special pass that allowed Rothschild to leave the Judengasse after dark and on Sundays and holidays.

By the mid-1780's, with assets estimated at 150,000 gulden, Rothschild was wealthy enough to afford a larger home for his wife and six children. (By 1792, Guttle had given birth to four more.) In 1786, the family moved into a residence called the House at the Green Shield. While one of the better Judengasse homes, the four-story Green Shield—only fourteen feet wide and thirty-eight feet long—provided cramped quarters for the growing family, who shared the space with merchandise and business offices.

Rothschild and his wife lived simply, and they generally channeled profits back into their business. Rothschild trained his children in the business, especially his five sons, Amschel Mayer, Salomon Mayer, Nathan Mayer, Calmann Mayer, and James Mayer Rothschild. He placed particular emphasis on the power of family unity. As his sons matured, Rothschild made them junior partners in his business, and all of them shared profits and losses. When they married, Rothschild brought his daughters-in-law into the business. Rothschild relied on his family because they were more accountable, better able to maintain confidentiality, and cheaper than outside help.

Beginning in 1789, Rothschild received a gradually increasing share in the financial affairs of his royal client, Wilhelm. Four years earlier the prince had become William IX, the landgrave of Hesse-Cassel, inheriting a sizable fortune to manage. Carl Friedrich von Buderus Carlshausen, one of Wilhelm's court officials, whom Rothschild had befriended years earlier, had been made Wilhelm's chief revenue officer, and he strove to send business to Rothschild.

The years of war that followed the French Revolution in 1789 were a time of dramatic growth and prosperity for Rothschild's business. He traded in cloth, foodstuffs, and tobacco, with wartime shortages enabling him to command high prices. The Austrian army became a major client for his war matériel business. When almost half of the Judengasse was destroyed in the 1796 French bombardment of Frankfurt (the House at the Green Shield was unharmed), Rothschild took full advantage of the subsequent loosening of the city's restrictions upon Jews. He moved all of his stores to warehouses outside the ghetto and opened business offices beyond the Judengasse walls. As of 1797, Rothschild's assets were more than 470,000 gulden.

In 1806, when Wilhelm, by then elector of Hesse-Cassel, fled the country to escape Napoleon I's troops, Rothschild kept four trunks of Wilhelm's private papers and possessions safely concealed at the House at the Green Shield and covertly acted as a debt collector and investor on Wilhelm's behalf during the elector's exile. Buderus, who had become the profit-obsessed Wilhelm's chief financial adviser, authorized Rothschild to borrow the money he collected for Wilhelm, which Rothschild invested in British securities through his third son, Nathan Mayer Rothschild, who had moved to England in 1798. When shrewd investments enabled Nathan to acquire gold with which to fund the the duke of Wellington's campaign against Napoleon I, Rothschild and his sons on the Continent helped smuggle this gold to the duke in Spain.

In his later years, Rothschild lobbied for equal rights for Frankfurt's Jews, which his people obtained in late 1811, in exchange for a sizable cash payment to the city, a quarter of which Rothschild paid himself. In 1812, the sixty-eight-year-old Rothschild died in his Judengasse home. He left the family business exclusively to his sons, in five equal shares. He sold his own shares in the busi-

The House of Rothschild

Mayer Amschel Rothschild and his wife Guttle died wealthy, but they died in the restrictive Jewish ghetto in Frankfurt where their families had lived for centuries. Their five sons, by contrast, began their days in the crowded, unsanitary ghetto of their forefathers, but they ended them in sumptuous residences as titled nobility.

Mayer's sons founded branches of the family business in commercial centers throughout Europe. His eldest son, Amschel Mayer Rothschild (1773-1855), remained in Frankfurt with his father and assumed control of the Frankfurt branch upon Mayer's death in 1812. Salomon Mayer Rothschild (1774-1855) went to Austria in 1820 and established the firm S. M. von Rothschild in Vienna. Nathan Mayer Rothschild (1777-1836) ventured to England in 1798 and founded N. M. Rothschild and Sons in London in 1811. Calmann Mayer Rothschild (1788-1855) established C. M. de Rothschild e Figli in 1821 in Naples, Italy. The youngest son, James Mayer Rothschild (1792-1868), moved to France in 1811 and founded de Rothschild Frères in Paris in 1817. The brothers, trained by their father to value family unity above all, formed a powerful banking network against which few could compete in the emerging field of international high finance.

In 1817, in recognition of the role that the house of Rothschild played in developing Austria's economy, Austrian emperor Francis I made Mayer and his descendants nobility. All but the English branch of the family added the prestigious "von" or "de" to the Rothschild name. In 1822, Austria granted the title of baron to the five brothers. Amschel, Calmann, and Jakob gentrified their first names to Anselm, Carl (or Charles), and James, although none forsook his Jewish heritage. Indeed, the family used its money and influence to advance the cause of Jewish equality throughout Europe.

The family's wealth, prestige, and international clout only increased as the house of Rothschild became the bank of nineteenth century royalty, statesmen, and governments. After financing the British war effort against Napoleon I, the Rothschilds remained at the hub of influential change in Europe and abroad. The house of Rothschild financed military actions, railway systems, mining, oil exploration, and high-profile projects, such as construction of the Suez Canal in the 1950's.

Unlike their conservative parents, the Rothschild brothers and their children did not shy away from conspicuous consumption. Palatial estates, extravagant entertainments, world-class vineyards, and impressive collections of art and antiquities became associated with the name Rothschild. In time, the family also became known for patronizing the arts and sciences, making major donations of artworks to public institutions, and other large-scale philanthropy. In the twentieth century, entire Rothschild properties, such as England's Waddesdon Manor and Ascott House and France's Villa Ephrussi de Rothschild, were donated for use as public museums.

ness and all his other possessions to his sons for a nominal 190,000 gulden, which was to be disbursed for the benefit of his wife and daughters. His will stated that any of his heirs who worked against the unity of the family was to receive only the legal minimum specified in the Napoleonic Code, minus what he or she had received up to that point. He also left 100 gulden to three Christian charitable foundations.

Legacy

Mayer Amschel Rothschild was a canny businessman who understood the value of diversification. During chaotic times when wars and occupations rocked his city and country, he identified needs that he could fulfill as an entrepreneur. He was willing to forgo immediate profits in the interest of winning future business. While humble and self-effacing, he did not hesitate to pursue and cement advantageous connections, even with persons whose assets, social standing, and religion were far different from his own. He amassed considerable wealth during his lifetime but prioritized the well-being of his business over ostentatious living. For Rothschild, business and family life were inextricably linked, and the health of the business relied upon familial harmony and cooperation. His distinctive approach to making and retaining wealth made him the founder of an international dynasty of bankers.

—*Karen N. Kähler*

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See also: August Belmont; Béatrice Ephrussi de Rothschild; Moses Montefiore; First Baron Rothschild; James Mayer Rothschild; Nathan Mayer Rothschild; Georg von Siemens.

Nathan Mayer Rothschild

British banker and merchant

Rothschild created a new level of internationalism in commodities trading and banking. His readiness to provide loans to governments and royalty gave his business a connection with politics that transcended national boundaries.

Born: September 16, 1777; Frankfurt am Main (now in Germany)
Died: July 28, 1836; Frankfurt am Main
Source of wealth: Banking
Bequeathal of wealth: Spouse; children; charity

Early Life

Nathan Mayer Rothschild (NAY-thun MI-uhr ROTH-child) was born in the Jewish ghetto of Frankfurt, the son of Mayer Amschel Rothschild, a coin dealer and moneylender, and his wife Guttle. His father brought Rothschild into the family business at the age of twelve, and his brothers followed him. Rothschild left Frankfurt for England in 1798 out of concern that the fighting between England and France would interfere with the family's ability to trade in British merchandise. He learned English and became a naturalized British citizen, although he never lost his German accent.

First Ventures

In England, Rothschild initially traded in textiles and other commodities in Manchester as an agent for his father's business. This venture enabled him to offer ready money to those with wares to sell and to receive this merchandise at prices lower than his competitors' prices. He also started trading on the stock exchange. In 1806, he married Hannah Barent Cohen, which gave him a connection to both the business world and the Jewish community.

Rothschild came to London in 1808 and started dealing in bullion the next year. He was able to sell bullion to the British government at a time when the duke of Wellington's soldiers in Spain were threatening to revolt because they had not been paid. This opportunity placed Rothschild in a unique position as a financier for the government.

Mature Wealth

Rothschild became a legend in 1815, when his news that the British had won the Battle of Waterloo reached the British government in London a day before official sources. He began to deal directly with the Bank of England, and he helped to avoid a run on this bank at a time when other banks were failing. He was also involved in making loans to a number of European countries, especially the Austrian Empire, from which he received a patent of nobility. His handling of foreign loans benefited from the international character of his family's business, as his brothers had gone to the financial capitals of Paris, Vienna, and Naples, in addition to the business hub of

Nathan Mayer Rothschild. (Getty Images)

Frankfurt. When Napoleon I took possession of parts of what became Germany, at least one elector put his wealth in the hands of Rothschild for safekeeping. Rothschild helped finance the government of King Louis XVIII of France after Napoleon I's defeat. Brazil's status as an independent country also depended on Rothschild's financing.

At the height of his career, Rothschild was able to enter into areas like life insurance in order to break the stranglehold of others' monopolies. He was not interested in the life of a country gentleman, although he moved his family out of his place of business in 1816, a luxury his father had never been able to afford. He put his wealth and reputation at the disposal of those who wished to see the Jews of England take advantage of the liberalization in laws governing the right to vote.

Rothschild died in 1836 while at a family conclave in Frankfurt, and his body was brought back to London for burial. At his death he left an estate of slightly more than £1 million. Even though his son Lionel Nathan Rothschild was brought in as head of the firm, now called N. M. Rothschild and Sons, the leadership of the international Rothschild network passed to Rothschild's brother James Mayer Rothschild in Paris.

Legacy

Nathan Mayer Rothschild brought the image of financier to a new level of awareness in the public mind of Great Britain. He appears in Lord Byron's poem *Don Juan* (1819-1824) in a somewhat ambivalent role, and there was enough anti-Jewish feeling in England at the time for a lukewarm reception of Rothschild's wealth. The importance of his contributions to the government made him something of a necessity in the tradition of the Court Jew of earlier centuries. As the nineteenth century went on, the wealth of the Rothschilds would be used to support the emancipation of Jews in England, enabling them to obtain better educations and to become involved in the political process.

—*Thomas Drucker*

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J. K. ROWLING

British author

Rowling achieved the extremely rare feat of becoming a multimillionaire by means of authorship—an accomplishment all the more remarkable for being achieved in the previously unproductive field of children's fiction and in an era when the reading habit seemed to be dying out among the young.

Born: July 31, 1965; Chipping Sodbury, Gloucestershire, England
Also known as: Joanne Kathleen Rowling; Kennilworthy Whisp; Newt Scamander
Source of wealth: Writing
Bequeathal of wealth: Unknown

EARLY LIFE

Joanne Kathleen Rowling (ROH-lihng) was born in a Gloucestershire village, the daughter of Peter James Rowling, an engineer working for Rolls-Royce, and Anne Rowling (née Volant). When she was nine the family moved to the small village of Tuthill, near the Welsh border in the Forest of Dean. She was educated thereafter at Wyedean Comprehensive and went on to study French and classics at Exeter University. She then went to Moray House Teacher Training College in Manchester, but she did not immediately seek work as a teacher. Instead, she went to London to work as a secretary and as a research assistant for Amnesty International. It was while traveling between Manchester and London by train in 1990 that she came up with the idea of writing a series of novels describing the unorthodox schooldays of a teenage wizard named Harry Potter.

In 1991, Rowling went to Portugal in order to teach English as a foreign language in Oporto. Because she worked in the afternoons and evenings, she was able to spend her mornings writing, but her progress was slow and her production mostly consisted of voluminous notes and disconnected chapters. She married a televi-

J. K. Rowling (left) signs a new Harry Potter book. (Getty Images) sion journalist named Jorge Arantes on October 16, 1992, but the marriage soon failed. Following her divorce in 1993, Rowling returned to Britain with her infant daughter Jessica, born on July 27, 1993, and eventually took up residence in Edinburgh, initially living with her younger sister Dianne, who had formerly worked as a nurse but was now studying law.

First Ventures

The cost of child care made it uneconomical for Rowling to work, but she also found it difficult to continue writing while suffering from the emotional fallout of her failed marriage. She formed the habit of taking long walks, which put her daughter to sleep, and then working on the first volume of her projected series of novels, *Harry Potter and the Philosopher's Stone*, in coffee shops. It took her until 1995 to finish the book, and it was not accepted for publication until 1997. Rowling was then able to obtain a grant of £8,000 from the Scottish Arts Council in order to continue work on the second volume in the series, *Harry Potter and the Chamber of Secrets*, which was published in 1998.

The initial advance for *Harry Potter and the Philosopher's Stone* was only £1,500, but the novel was very carefully marketed by its initial publisher, Bloomsbury Publishing, which gave away most of the first edition to schools, hoping to obtain word-of-mouth publicity for the subsequent paperback. This ploy worked and ensured that most of the hardcover copies sustained sufficient wear and tear to make the remainder very valuable, retailing for tens of thousands of pounds. The novel won the Smarties Book Prize Gold Medal and was shortlisted for the *Guardian* Fiction Award and the Carnegie Medal. When rights to the book were auctioned in the United States, they went to Scholastic for $105,000, then a record sum for a children's book, and Warner Bros. subsequently bought film rights to the first two volumes for "a seven figure sum." The U.S. edition of the first volume was retitled *Harry Potter and the Sorcerer's Stone* on the assumption that American children were more likely to be sympathetic to the idea of sorcery than to the concept of philosophy.

Mature Wealth

When the third novel in the series, *Harry Potter and the Prisoner of Azkaban*, was published in 1999, the magnitude of the burgeoning phenomenon was fully revealed. The three novels shot to the top of the American best seller lists and the sale of further film rights ensured that Rowling rapidly became the highest-earning woman in Great Britain and the second-wealthiest, after Queen Elizabeth II. In 2000, the year in which *Harry Potter and the Goblet of Fire* was published, Rowling set up the Volant Charitable Trust, which took its name from her mother's maiden name, in order to channel some of her wealth back into society.

In 2001, Rowling bought Kilchassie House, a nineteenth century mansion in Perthshire, to serve as a home for the new family created by her marriage to Neil Murray, an anesthetist whom she wed in a private ceremony at the house on December 28, 2001. In the same year, she produced two brief volumes that were spun off from the series, *Fantastic Beasts and Where to Find Them*, written under the pseudonym of Newt Scamander, and *Quidditch Through the Ages*, written by the pseudonymous Kennilworthy Whisp. The two books benefited the charity Comic Relief, with their sales raising £15.7 million for the organization. Her second child, David Gordon Murray, was born on March 23, 2003. These developments slowed down the production of the fifth volume in the series, *Harry Potter and the Order of the Phoenix*, which did not appear until 2003.

Bloomsbury had made the launch of *Harry Potter and the Goblet of Fire* into a large-scale public event that was so successful that the publishing house was forced to narrow the focus of subsequent book launches in the series, especially in view of the expectation built up by the anticipation of its belated successor. The publishing company did everything possible to control not merely the day of release but the moment the books were issued; the remaining books were all released on the stroke of midnight, with potential purchasers often queuing for hours or days beforehand. *Harry Potter and the Order of the Phoenix* set a new world record for the rapidity of book sales, which was then broken by *Harry Potter and the Half-Blood Prince*, published in 2005.

Although the bans on premature release proved unenforceable, this public relations strategy succeeded in maintaining a high level of anticipatory excitement, especially in regard to the seventh and climactic volume, in which it was widely rumored beforehand that the hero might die. Harry Potter's death was a possibility that would have previously been unthinkable in a children's book, but it did not seem unlikely in the new context of expectation that Rowling had created. Although *The New York Times* broke ranks by publishing a review of the final book, *Harry Potter and the Deathly Hallows*, on the day before its publication, the reviewer was careful not to reveal the ending.

Harry Potter and the Deathly Hallows sold 2.7 million English-language copies in its first twenty-four hours of publication on July 21, 2007, beating its predecessor's record comfortably, and this book soon racked up total worldwide sales of eleven million copies. By that time, the first six volumes had sold 325 million copies, and it seemed inevitable that the series total would eventually exceed four hundred million. Rowling's net worth was then in the tens of millions. The 2010 Sunday *Times* "Rich List" estimated her potential worth at £499 million, but such lists are notorious for the generosity of their estimates of "potential." *Forbes* magazine described Rowling as the first person to become a billionaire in terms of American dollars by means of authorship. The Harry Potter series also made money for Rowling's agent, Christopher Little, who initially placed the unread manuscript of the first book in the reject pile, maintaining that children's books never made any money. He later became a multimillionaire, thanks to the office assistant who took the manuscript out of the pile to read because it had an attractive binding.

Volant Charitable Trust

J. K. Rowling established the Volant Charitable Trust in Edinburgh, Scotland, in 2000 for the purpose of conducting two main areas of activity. The first was the promotion of research into the causes and treatment of multiple sclerosis, a disease from which Rowling's mother had suffered throughout her later life; the second was the alleviation of "social deprivation," especially with respect to the problems of single-parent families and child poverty. Grants awarded for the second goal were jointly administered with the Scottish Community Foundation. The charity's initial funding allowed it to deploy an annual budget slightly in excess of £5 million.

In association with the Volant Trust's work, Rowling became the president of the Multiple Sclerosis Society, although she gave up that position in April, 2009, because of serious infighting within the organization, in which the Scottish and English branches were at odds. Rowling also became involved with numerous other related charities. The most important of these was the Children's High Level Group (CHLG), jointly founded in 2005 with Emma Nicholson, a member of the European Parliament. Rowling donated one of seven handwritten copies of *The Tales of Beedle the Bard*, a book of short stories featured in *Harry Potter and the Deathly Hallows*, to the CHLG. The book was bought at auction by Amazon.com for £1.95 million, and the proceeds of the subsequent printed version were also donated to the charity. Among other major events, Rowling participated in a reading session at Radio City Music Hall in New York City with authors Stephen King and John Irving, with the proceeds going to the Haven Foundation and Médécins Sans Frontières (Doctors Without Borders).

Legacy

The immediate legacy of Rowling's success was a huge flood of money into the children's book market, resulting in numerous other authors being given huge advances for projected series, only a handful of which repaid the investment. The more enduring legacy of her spectacular success seemed likely to be the Volant Trust and her other charitable endeavors, which generated revenues that were enormous in the context of British philanthropy. A less tangible impact of the Harry Potter books was an increased interest in reading among children and young adults in an age when a variety of media distracted them from the printed page. After the Harry Potter series was published, the world waited to see whether anything Rowling wrote in the future could possibly match the success of her first great endeavor.

—*Brian Stableford*

Further Reading

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See also: Pablo Picasso; Edith Wharton.

HELENA RUBINSTEIN

American cosmetics magnate

Rubinstein established a multimillion-dollar cosmetics empire spanning five continents. She used her personal fortune of approximately $100 million to maintain homes around the world, collect priceless jewelry and art, and support philanthropic causes. In 1953, she established the Helena Rubinstein Foundation to develop her philanthropies, especially organizations helping women and children.

Born: December 25, 1870; Kraków, Austro-Hungarian Empire (now in Poland)
Died: April 1, 1965; New York, New York
Also known as: Chaja Rubinstein (birth name)
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Children; relatives; charity

EARLY LIFE

The woman who would become Helena Rubinstein (REW-bihn-stin) was born Chaja Rubinstein on December 25, 1870, into an upper-middle-class Jewish family in Kraków. She was the oldest of eight daughters born to Hertzel Naftaly Rubinstein, a shopkeeper, and Gitel Silberfeld, the daughter of a rabbi.

Revealing remarkable business acumen at an early age, Rubinstein often helped her father with bookkeeping and planning. Rubinstein credited her mother for teaching her and her seven sisters the importance of a daily beauty routine, which included a special herbal beauty cream at bedtime. As a child, Rubinstein also developed a lifelong love of jewelry, painted dolls, and miniature furniture. In her teens, her parents tried to arrange a marriage for her, but she refused. After attending public schools, Rubinstein enrolled in medical studies and enjoyed laboratory research, but she left the program because she had a fear of blood.

FIRST VENTURES

In 1896, Rubinstein left Kraków to live on her uncle's sheep ranch in Coleraine, Australia, where the idea for her future business was conceived. She discovered that Australian women needed a skin care product to improve their red and rough complexions, which were damaged by the sun and wind. According to her autobiography, Rubinstein had brought containers of her mother's special facial cream, developed by their relative, the Hungarian chemist Jacob Lykusky. She gave the cream to neighbors, who found that it greatly improved their skin, and she had to order more jars from Kraków.

In 1901, while working as a waitress in Melbourne, she met John Thompson, owner of the Robur Tea Company, who became her business mentor. She borrowed $1,500 from a friend to start her business. In 1902, Rubinstein opened Helena Rubinstein & Company, Australia's first beauty salon, in Melbourne. Sales and demand kept increasing for the special face cream, which would later bear the trademark Valaze cream. She manufactured a growing variety of other skin care products that she either imported or invented. She realized the power of publicity when just one favorable article by Eugenia Stone, an editor in Sydney, resulted in fifteen thousand orders.

MATURE WEALTH

In 1905, Rubinstein returned to Europe to study with skin specialists in Berlin, Munich, Dresden, Paris, and Vienna. She returned to Australia and opened a larger salon in Melbourne and then a salon in Sydney in 1907. She also established successful mail-order and wholesale businesses. During these years, she laid the foundation of her cosmetics empire and made a fortune.

Before Rubinstein started her business, men owned the major cosmetic companies, and makeup was used primarily by performers and prostitutes. Rubinstein perfected the marketing technique of making women feel fearful about their skin conditions, such as freckles, wrinkles, blackheads, and sunburn. Women would then purchase skin care products to treat these skin problems. Other innovations essential to Rubinstein's success were teaching women how to use her products and meeting each client's specific needs. She also published a self-help pamphlet called *Guide to Beauty*, in which she was the first to identify skin as "dry," "normal," and "oily." She also used these categories in her advertising.

Immensely successful in Australia, Rubinstein decided to move to London and to begin expanding internationally. In 1908, with $100,000 in cash, she rented the beautiful twenty-six-room mansion that had once belonged to the marquis of Salisbury in London. Her elegant salon appealed to a wealthy clientele. That same year, she married American journalist Edward William Titus, who developed creative new product packaging and advertisements featuring an elegant Rubinstein. Their son Roy Valentine was born in London in 1909. Attracted to the cosmopolitan lifestyle of Paris, Rubinstein opened a salon there in 1911. Her second son, Horace, was born in London in April, 1912, and that autumn the family moved to Paris.

As World War I escalated, Rubinstein moved to the United States in October, 1914. She traveled around the country to promote her products. Meanwhile, Titus and the children arrived in New York, and Rubinstein's luxurious Maison de Beauté Valaze in New York City opened in May, 1915. For fifty years, she would compete with Elizabeth Arden, her main rival in the cosmetics business. Her ingenious publicity described how Red Cross nurses in Europe received Rubinstein beauty kits and instructions for using her products before going to the front. She realized it would be impossible to open salons in every major city, so she opened schools to train department store salesgirls, who would be demonstrating her products. By 1918, Rubinstein cosmetics were sold in major American department stores.

Helena Rubenstein. (Time & Life Pictures/Getty Images)

After the war, the family returned to Europe but left again when World War II began. In 1937, her famous salon on New York's Fifth Avenue opened, and the instantly popular Day of Beauty was introduced. That year, she and Titus divorced, and in 1938 she married a Russian nobleman, Prince Artchil Gourielli-Tchkonia, and started a House of Gourielli line of men's cosmetics. In 1950, she introduced her revolutionary, automatic mascara, Mascara-Matic, and she sold more than two million of these products in the first year they appeared on the market. Gourielli-Tchkonia died in 1956.

In 1959, Rubinstein was the United States cosmetics industry's official representative at the American National Exhibition in Moscow. That year also saw the opening of the grand Helena Rubinstein Pavilion for Contemporary Art exhibition venue at the Tel Aviv Museum.

Rubinstein continued her busy work schedule until her death. She suffered a stroke at work and was admitted to New York Hospital, where she had a more serious stoke and died on April 1, 1965. She left a personal estate worth more than $100 million. With thirty thousand employees, operations in more than one hundred countries, and salons and facilities in fourteen countries, her business had assets valued at more than $17.5 million and was making more than $60 million annually. After her death, the chief beneficiaries of her estate were her immediate family and relatives. A major part of the estate was also left to the Helena Rubinstein Foundation, which she had established in 1953 to benefit women and children. Her autobiography, *My Life for Beauty*, was published posthumously in 1966.

In 1970, Colgate Palmolive bought the Rubinstein company from the family for $143 million and then sold the business to Albi Enterprises, Inc. in 1980. By 1988, L'Oréal Group owned all of the Rubinstein operations. In 2009, the Public Broadcasting System (PBS) aired *The Powder and the Glory*, a documentary film about the rivalry between Rubinstein and Arden.

Legacy

Helena Rubinstein was an innovative cosmetics pioneer who helped define and create the modern global health and beauty industry. One of the world's wealthiest women, she promoted glamour, introduced many modern marketing techniques, and was one of the first to mass-produce cosmetics. She developed the first sunblock and tinted facial foundation and powder. Rubinstein also introduced dieting and massage as beauty treatments and established beauty health farms. She believed in beauty education, and her salons taught basic skin care. She also distributed instruction booklets, and she wrote *The Art of Feminine Beauty* (1930) and *This Way to Beauty* (1936).

A dedicated philanthropist and women's rights advocate, she ensured permanent support for women and their children with her foundation. From 1953 to 2009, the Helena Rubinstein Foundation awarded more than $108 million in grants to programs in education, health, the arts, the arts in education, and community services.

—*Alice Myers*

Further Reading

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The Helena Rubinstein Foundation

In the first half of the twentieth century, pioneer cosmetician and industrialist Helena Rubinstein was one of the wealthiest and most successful women in the world. She was a generous patron of the arts and a dedicated philanthropist. She believed that her wealth came from women, so she wanted to fund programs and educational opportunities for women and their children.

In 1953, she established the Helena Rubinstein Foundation to support programs in health, education, the arts, the arts in education, and community services. When Rubinstein died in 1965, her business was generating more than $60 million annually, and her personal estate was valued at more than $100 million. The foundation was a major beneficiary of her wealth and was designated to administer part of her estate.

From 1953 to 2009, the foundation awarded a total of $108,301,440 worth of grants. More than $2.5 million worth of grants were awarded in fiscal 2008, the majority of which, totaling more than $1.3 million, were allocated for educational purposes. Other appropriations in 2008 included $500,825 for community services, $452,540 for arts/arts in education, and $236,000 for health programs. For the fiscal year ending in 2009, the foundation awarded grants totaling more than $1.6 million, with $870,240 for education, $412,025 for community services, $245,340 for arts/arts in education, and $101,000 for health programs.

The foundation has provided support to numerous health organizations, such as the Memorial Sloan-Kettering Cancer Center in New York City; Doctors Without Borders USA; the Fund for Public Health in New York, Inc.; the American Italian Cancer Foundation; and the Children's Health Fund. Major education grant recipients have included public television station Thirteen/WNET in New York City in order to sponsor children's educational television programming; YouthBASE in Brooklyn, New York, for the general support of human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) education programs in public high schools; the Museum of Modern Art in New York City in order to provide stipends for the Helena Rubinstein Foundation Summer Internship Program for college and graduate students; and Teach for America for the recruitment, training, and placement of college graduates in teaching positions in underserved public schools.

Through the years, the foundation has also provided major arts/arts education support grants to numerous organizations, including the Bronx Museum of the Arts; American Friends of the Tel Aviv Museum of Art; the Studio in a School Association in New York; the New World Symphony of Miami Beach, Florida; and the Alvin Ailey American Dance Theater. Recipients of major grants for community services have included the United Jewish Appeal, Federation of Jewish Philanthropies of New York, Planned Parenthood Federation of America, the Partnership for the Homeless, Big Brothers Big Sisters of New York City, and the Women's Housing and Economic Development Corporation.

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Woodhead, Lindy. *War Paint: Madame Helena Rubinstein and Miss Elizabeth Arden—Their Lives, Their Times, Their Rivalry*. London: Virago, 2008. Reprint. Well-researched study of the two cosmetics rivals, who were the first women to run global corporations. Includes bibliography, index, and numerous black-and-white photographs.

See also: Elizabeth Arden; John H. Johnson; Anita Roddick; Jay Van Andel; Madam C. J. Walker.

Alanus Rufus

Norman aristocrat, landowner, and military leader

Rufus was a companion of William the Conqueror and played a key role in the Norman Conquest. William rewarded Rufus with large estates, including the Honour of Richmond. These lands formed the basis of the great wealth Rufus bequeathed to his descendants, later styled the earls of Richmond.

Born: c. 1040; Brittany (now in France)
Died: 1089; England
Also known as: Alain le Roux; Alan the Red; Alan Rufus
Sources of wealth: Real estate; government
Bequeathal of wealth: Relatives

Early Life

Alanus Rufus (ah-LAHN-uhs ROO-fuhs) was the son of Eudes, count of Penthièvre, and Agnes of Cornwall. His birth date is unknown but was sometime around 1040, and he was born in Brittany, in what is now northern France. "Rufus" means "the red," likely in reference to his hair color or complexion, and this name distinguished him from his younger brother Alan Niger, or le Noir, meaning "the black." Rufus was a great-grandson of Richard II, duke of Normandy, which made him a cousin of King William I, better known as William the Conqueror; in Norman terms, Rufus was William's "nephew." Rufus had several brothers and half brothers. Little is known of his early life, but he came to England as a companion of William in 1066, and he fought with William at the Battle of Hastings.

First Ventures

In addition to fighting at Senlac during the Battle of Hastings, Rufus played an important role in the Harrying of the North, a series of campaigns waged by William the Conqueror in the winter of 1069-1070 to pacify northern England. These campaigns were brutal and resulted in partial depopulation of the north and subjugation of local Anglo-Danish lords under newly installed Norman lords. For his service, particularly in the Harrying of the North, William granted Rufus extensive lands, including the Honour of Richmond in Yorkshire, one of the most important fiefs in England. Most of these estates in Yorkshire had previously belonged to Edwin, earl of Mercia, who had rebelled against William in 1071.

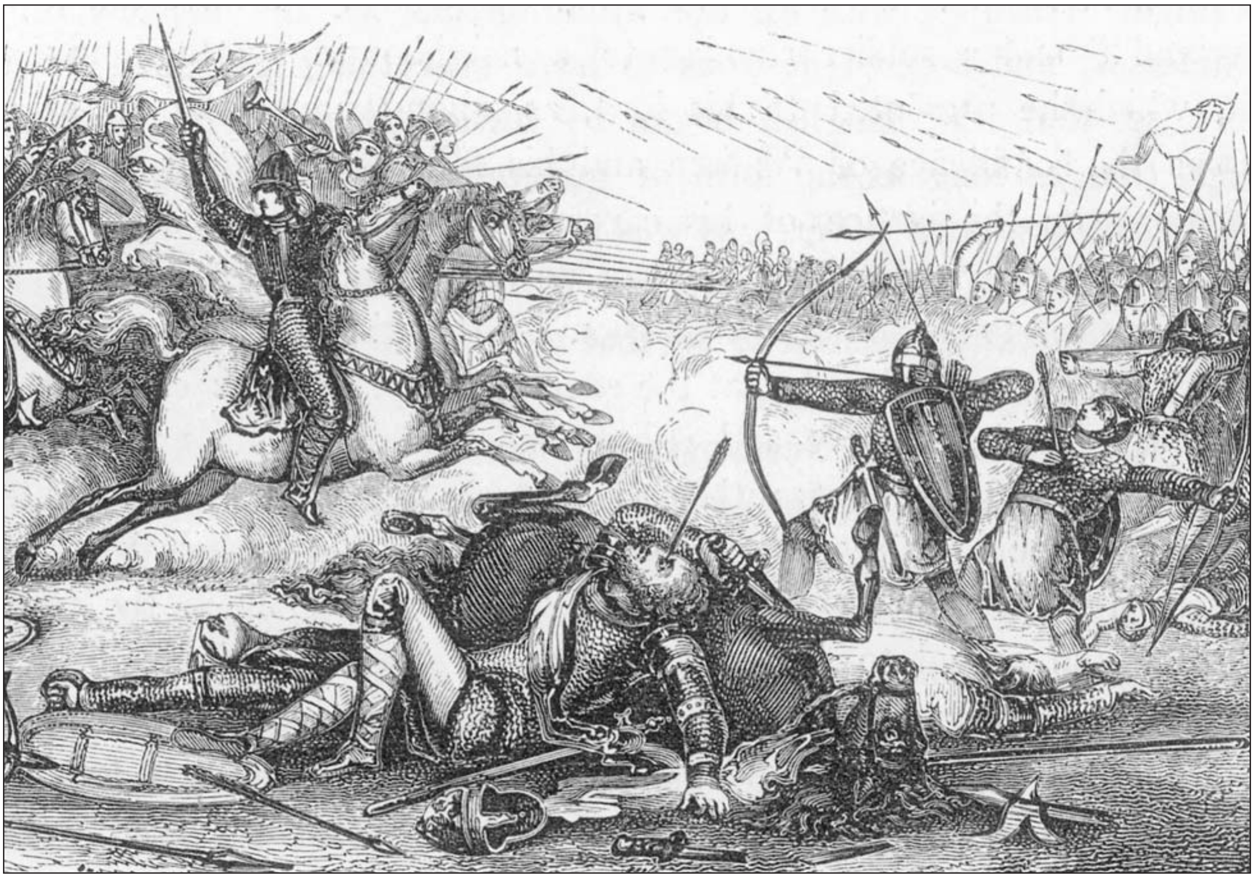
Mature Wealth

The Honour of Richmond extended thirty-seven miles east to west and twenty-seven miles north to south and contained most of northwestern Yorkshire. The honour was primarily divided into the "hundreds," an obsolete geographic subdivision, of Gilling, Hang, and Hallikedd. The Gilling hundred contained the land between the River Tees and the River Swale and was divided into eastern and western portions. The village of Gilling was the manorial center, but Rufus replaced it with a new castle and village of Richmond, located in the Gilling hundred just two miles south of the village of Gilling. The Hang hundred lay directly south of the Gilling hundred, with the River Swale forming its northern boundary. Hallikeld comprised the parishes between the River Ure and the River Swale until their confluence at Ellenthorpe; parts of Hallikeld were held by other nobles. Rufus also owned the townships of Howe, Baldersby, Assenby, and Rainton, which may have been in the adjacent Birdforth hundred, although the *Domesday Book* (1086), a comprehensive inventory of English property, lists them in Hallikeld.

In 1071, Rufus began building Richmond Castle, originally called Richemund or Richemont, meaning "strong hill," on a hill above the River Swale. The castle was intended primarily as a military fortification. The town of Richmond grew around the castle, which was completed in 1086, although later residents continued to add improvements.

In addition to providing the source of Rufus's personal wealth and a base for his power, the Honour of Richmond served as a military buffer with northern Northumbria. Each year, Rufus's tenants were required to provide a specified number of knights who would defend the Richmond Castle; Yorkshire alone contributed sixty knights. This military force, along with the castle's architectural defenses, made direct attack upon the structure a daunting proposition. The strategic and financial importance of the honour ensured that it remained intact for three centuries.

In addition to the Honour of Richmond, Rufus owned significant holdings in Lincolnshire and eastern En-



An illustration depicting the Battle of Hastings, in which Alanus Rufus fought with William the Conqueror. William later rewarded Rufus for his service with the grant of large estates. (F. R. Niglutsch) gland, primarily in Cambridgeshire. In total, his holdings were assessed for 180 knights. Rufus's lands included 166 manors in Yorkshire, and almost 200 in total, and may have contained as much as 250,000 acres. Although not formally titled as such, Rufus was effectively the earl of Richmond. It is difficult to assess exactly how many manors Rufus owned, as sources for this period are often unclear as to whether lands were granted to Rufus, to his brother Alan Niger, or to another aristocrat named Alan Fergeant, but Rufus was undoubtedly one of the wealthiest men in England.

Under the fief system administered by the Normans, Rufus's wealth, as well as his military power, came from his landholdings and tenants. The king granted Rufus fiefs, which Rufus in turn allowed to be used by his tenants, lesser lords, and knights. Rufus ruled his lands largely autonomously, and he gained both military service and revenue in exchange for allowing his vassals to use his property. In some cases, he would receive fees in order to relieve knights of service. In the Norman system, land was vital to obtaining significant wealth. This system also helped the Normans keep the Anglo-Danish subjugated and maintain power in Norman hands.

Although he became an extraordinarily wealthy landowner, Rufus continued to serve as one of William the Conqueror's chief military leaders. In 1085, he appears to have commanded the Norman army in Maine, a province of Normandy.

Despite his brutal actions during the Harrying of the North, Rufus seems to have been well regarded as an overlord and known for his respect of religion and support of the poor. Rufus never married. He died in 1089 and was buried in the Abbey of Bury St. Edmunds in Suffolk, which later fell into disuse. The ruins are now a heritage site.

Richmond Castle

Alanus Rufus began building Richmond Castle in 1071, shortly after William the Conqueror granted him the Honour of Richmond, a vast English land grant. Rufus's wealth and landholdings made it possible for him and his successors to both build and maintain the castle for several centuries.

Richmond Castle is a fortified stone structure located on a hill above the River Swale. Rufus likely began building the castle to solidify his military position on the border with Scotland and to create a strong base from which to administer one of the largest Norman estates of his time. The castle was unusual for its time because it was built of stone instead of the cheaper materials of earth and wood that were used to construct motte-and-bailey castles—structures that were built atop a raised earthwork and surrounded by a protective fence. Like most castles of its period, Richmond Castle maintained an open bailey, or enclosed courtyard, beyond its defensive walls to ensure that attackers could be seen; this bailey was used as a market. However, unlike most Norman castles, there is no clear evidence that Richmond Castle had a motte, or earthen mound upon which it was elevated. This castle may have once contained a motte that could have been converted to the barbican, a fortified gateway.

Richmond Castle also had projecting mural towers to aid in its defense, which was another uncommon feature of eleventh century Norman architecture. The original structure also appears to have lacked a keep—a separate building to which defenders could retreat in a final attempt to protect the castle. Rufus's grandnephew Conan built a keep toward the end of the twelfth century that was one hundred feet tall, with walls that were eleven feet thick. This keep was intended only for military purposes, and it has no kitchens, fireplaces, living quarters, or chapel. During periods when Richmond Castle was held by the Crown, Kings Henry II, Henry III, and Edward I made additional, primarily defensive, improvements.

Richmond Castle was one of the best-situated, best-fortified castles of its time in England, and it served an important strategic role from the twelfth through the early fourteenth centuries. During a period in the early fourteenth century when the Scots were raiding England, the castle's owners received permission to build a defensive wall around the bailey in order to protect civilians. However, by the end of the fourteenth century, Richmond Castle had fallen out of use.

By the twenty-first century, Richmond Castle had been partially restored and was administered by English Heritage. The structure remains one of the best examples of Norman architecture in Great Britain.

Legacy

Rufus bequeathed his land and fortune, worth approximately £11,000, or more than 7 percent of England's net national income at this time, to his brother Alan Niger. Niger had also fought at the Battle of Hastings and been rewarded with considerable lands in his own right. He died in 1093, leaving the combined estate to another brother, Stephen (or Étienne), count of Tréguier, who was noted for his financial support of a number of religious houses. Stephen's son Alan Niger II was the first to be formally styled the earl of Richmond.

Rufus's wealth helped his successors gain power and status. His grandnephew Conan married the sister of

Malcolm IV of Scotland, and Conan's daughter Constance married Geoffrey Plantagenet, son of Henry II of England. The family continued to enjoy influence until one of Constance's sons-in-law, Peter de Braine, renounced allegiance to England in 1235 and forfeited the family's estates to the Crown.

Richmond Castle remained in use through the early fourteenth century, and in the twenty-first century it was an important heritage site.

—*Melissa A. Barton*

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See also: Odo of Bayeux; First Earl of Surrey; William II.

Philip Rundell

British jeweler, silversmith, and goldsmith

Rundell's firm of Rundell and Bridge dominated the luxury jewelry and silversmith trade in Great Britain in the early nineteenth century.

Born: 1746; Norton St. Philip, Somerset, England
Died: 1827; London, England
Source of wealth: Trade
Bequeathal of wealth: Relatives

Early Life

Philip Rundell (RUHN-duhl) was born in Norton St. Philip, near Bath, the son of Richard Rundell, a food and malt merchant. After he turned fourteen, Rundell was apprenticed to the jeweler William Rogers in Bath on May 10, 1760. After serving out his apprenticeship, Rundell found employment in London in about 1767 as a shop man with the retail goldsmith William Pickett. He displayed his skill for business so quickly that within four years Pickett took him as a partner. Rundell was made a freeman of the Draper's Company in 1771. Rundell and Pickett continued as partners until 1786, when Rundell bought out his partner and took full charge of the business.

First Ventures

The following year, Rundell took John Bridge as a partner, and the firm changed its name to Rundell and Bridge. This firm became the dominant jewelry and silver- and goldsmith firm in Great Britain.

For forty years, Rundell and Bridge had the perfect partnership, with each man concentrating on the aspect of business in which he excelled by virtue of temperament and character. The hardworking Rundell, the best judge of diamonds in the trade, oversaw the firm's jewelry and manufacturing departments. He was an unpleasant man, who was despotic, sharp-tongued, and demanding of his workmen; avaricious with suppliers; and curt and rude with customers. Bridge's polished, courteous, and diplomatic manners were used to great advantage in the firm's dealings with aristocratic customers and members of the royal family. The pair were known as Oil (Bridge) and Vinegar (Rundell).

Rundell purchased the well-established jewelry firm of John Duval, Sons & Co. in 1797, when Rundell and Bridge became jewelers to the Crown. Rundell's nephew Edmund joined the firm in 1803, and the firm became known as Rundell, Bridge and Rundell.

Mature Wealth

The firm was now the dominant jeweler in Great Britain. It controlled the best workshops and commissioned works or designs from some of the best craftsmen and artists, including John Flaxman, Thomas Stothard, and Augustus Welby Northmore Pugin. Customers from all over Europe flocked to the shop to spend their wealth. Between 1821 and 1829, the prince regent (the future King George IV) spent more than £105,000 on jewelry and luxury goods at the firm.

The firm thrived during the period of the Napoleonic Wars. Military victories required the Crown to spend lavishly on decorations, trophies, diamond-studded hilts for presentation swords, and silver plate for elaborate dinners. Diplomats required silver plate, gold snuffboxes, silver service, and diamond jewelry for gifts, presentations, and ostentatious display. For the dazzling celebrations of the year 1814, the British crown spent almost £48,000 with the firm.

Rundell, Bridge and Rundell designed and manufactured elaborate jewelry and silver in its network of suppliers and workshops. The firm bought jewelry and other treasures from fleeing French aristocrats, and these items were resold or broken up and turned into new pieces, earning double or triple profits. The company also created new consumer demand by marketing its "brand name." To attract global clients in a new age of conspicuous consumption, the firm stressed glamorous showrooms, publicity, and generous credit terms and cash discounts. Its trade and wealth grew from sales of new and antique silver and its purchases and sales of precious stones, pearls, and gold boxes, especially elaborate snuffboxes.

In the last two decades of his life, Rundell suffered from deafness and other ills, and he retired on September 29, 1823. He died in London in 1827.

Legacy

Rundell amassed his wealth by supplying luxurious and magnificent jewelry and decorative silverware to European aristocrats and royalty during the regency and reign of King George IV in the nineteenth century. His firm continued to operate for a short period after his death, but it was dissolved in 1842.

—*Thomas McGeary*

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See also: Kokichi Mikimoto; Charles Lewis Tiffany; Josiah Wedgwood; Shantidas Zaveri.

Pavel Ryabushinsky

Russian banker and industrialist

Ryabushinsky and his brothers were one of the wealthy entrepreneurial Russian families who were forced to emigrate from their homeland after the Russian Revolution brought a new economic system to the country.

Born: June 17, 1871; Moscow, Russia
Died: July 19, 1924; Cambo-les-Bains, France
Also known as: Pavel Pavlovich Ryabushinsky
Sources of wealth: Inheritance; manufacturing
Bequeathal of wealth: Relatives

Early Life

Pavel Pavlovich Ryabushinsky (PAH-vyehl PAHV-loh-vihch ryah-byew-SHEEN-skee), was the oldest of eight sons of Pavel Mikhailovich Ryabushinsky. His grandfather Mikhail established a business selling linen and sackcloth in Moscow at the beginning of the nineteenth century. In 1846, Mikhail purchased a weaving mill in Moscow. By 1858, the year of his death, Mikhail had built two more mills that held eight hundred looms and had contracts for cloth production with small weaving shops that together had another three thousand looms. His sons Pavel Mikhailovich and Vasily continued operating the business under the name P. & V. Ryabushinsky.

After Vasily's death, Pavel Mikhailovich renamed the business P. M. Ryabushinsky and Sons, hoping that his sons would carry on the business after his death. When Pavel Mikhailovich died in 1899, his son Pavel, who had been well educated and groomed for his position, took over the reins of the business. Ryabushinsky was thirty-eight years old at the time, but he had already worked for his father for more than twenty-five years.

First Ventures

In 1900, Ryabushinsky had to deal with two calamities. First, some of the Ryabushinsky textile mills were totally destroyed in a fire. Ryabushinsky was able to rebuild the factories, and by the beginning of World War I, P. M. Ryabushinsky and Sons employed more than forty-five hundred workers and earned about 8 million rubles annually. However, the business lost about 4 million rubles in a failed investment it made through banker A. K. Alchevsky, who committed suicide. The Ryabushinsky brothers were able to gain control of Alchevsky's bank, and in 1902 they opened their own bank. By 1912, their bank, now named the Moscow Commercial Bank, was a leading financial institution in Russia with capital of more than 25 million rubles.

Mature Wealth

During World War I and the beginnings of the Russian Revolution, Ryabushinsky became a member of the Progressive Party, supporting ideas of free enterprise and capitalism. He began publishing a popular newspaper entitled *Morning of Russia*. In 1915, Pavel was elected chairman of the Moscow Stock Exchange Committee and was made the head of the War Industry Committee. In 1916, he opened the first automotive factory in Moscow.

Ryabushinsky opposed the Soviets and their participation in the provisional government that took control after the revolution of February, 1917. H supported General Lavr Georgiyevich Kornilov, who believed that Russia was heading toward anarchy and that Vladimir Ilich Lenin and the Soviets had to be done away with. After Kornilov's defeat, Ryabushinsky moved to the Crimea, where he sought a cure for tuberculosis at a local hospital. However, after the October Revolution firmly placed the Soviets in control, all the Ryabushinsky brothers emigrated to Paris, France.

With the introduction of the New Economic Policy in 1921, which allowed Russian farmers to keep their crop surpluses, Ryabushinsky was hopeful that capitalism would return to his home country. The Ryabushinsky brothers believed the new policy indicated that the Communist economic system was on the brink of bankruptcy. However, when Joseph Stalin came to power in 1928, all hopes for the restoration of capitalism in the Soviet Union were quashed.

Ryabushinsky died of tuberculosis in France on July 19, 1924. None of the Ryabushinsky brothers ever returned to Russia.

Legacy

Pavel Ryabushinsky's grandfather, a peasant, opened a fabric store, and in three generations the family, with Ryabushinsky at the head, had amassed great wealth and rose to become noted industrialists, financiers, and part of the Russian bourgeoisie. All of this ended with the Communist takeover of Russia. One of the few remnants of Ryabushinsky's life still extant in twenty-first century Russia is the Gorky House in Moscow, so named because author Maxim Gorky lived there from 1931 to 1936. The magnificent Art Nouveau mansion had been the home of Pavel Ryabushinsky. It would please Ryabushinsky to know that his dream of having a capitalist economy return to Russia was achieved after the fall of the Soviet Union in 1991.

—*Polly D. Steenhagen*

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See also: Felix Yusupov.

THOMAS FORTUNE RYAN
American investor and financier

Ryan combined charisma, opportunism, intuitive business savvy, a keen instinct for profit potential, and ruthless competitiveness to become one of the dominant financiers in the Gilded Age. He created a financial empire with unprecedented reach into numerous enterprises, domestic and international, most prominently public transportation and tobacco.

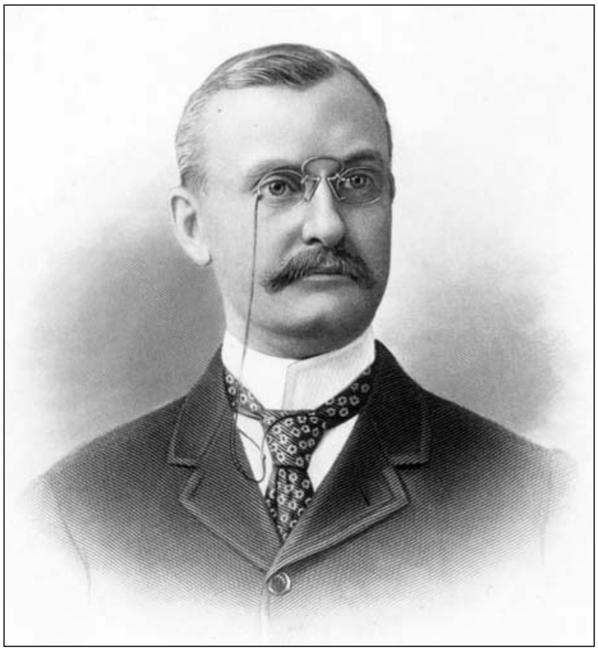
Born: October 17, 1851; Lovingston, Virginia
Died: November 23, 1928; New York, New York
Sources of wealth: Transportation systems; investments; trade
Bequeathal of wealth: Church

EARLY LIFE
Thomas Fortune Ryan (RI-uhn) was born in modest circumstances in the rugged foothills of the Piedmont, where there were few public records. When he became one of the titans of the Gilded Age, Ryan would zealously protect his private life from public scrutiny. For these reasons, very little is known about his childhood. His father, a tailor who also ran a small wayside inn catering to the Charlottesville-Richmond merchant traffic, remarried after Ryan's mother died when the boy was five years old. The family moved to the new wife's family plantation in Tennessee. Although still an adolescent, Ryan involved himself in plantation management, forsaking formal college study and impatient with the impracticality of book learning. After the Civil War dramatically altered economic conditions in the South, Ryan, with his family's blessing, headed north in 1868 to the nearest large city, Baltimore, with a little more than $100 and a letter of introduction for a position as a clerk in a highly successful dry goods business.

FIRST VENTURES
Historians are uncertain about what happened to Ryan at this point in his life. What is indisputable is that during the long train ride to Baltimore, Ryan, a Protestant educated by Baptists, accepted Catholicism. According to some accounts, he converted after engaging in emotional theological discussions with the train's conductor. Other historians suggest a far more practical motive: Ryan, already an opportunist with savvy instincts, understood that any success in Baltimore, at the time America's largest Catholic city, would necessitate his conversion.

Ambitious and restless, Ryan within four years relocated to New York City, where he accepted a position as a brokerage assistant on Wall Street. Amid the wheeling and dealing, he demonstrated a keen financial sense. He wed the Catholic daughter of the dry goods merchant, and with her family's financial backing he purchased a seat on the prestigious New York Stock Exchange when he was twenty-three, making him the youngest member in the history of the exchange. However, it was Ryan's calculated move into the corrupt Tammany Hall political machine that put him in the position to make his first major move. In 1886, after bidding to construct a significant portion of the city's new cable railroad service and being out-bribed by competitors, Ryan established the Metropolitan Traction Company and controlled the prime tracks that served Broadway. Within eight years, through bribery and cutthroat competitive practices, he controlled the majority of the city's electric streetcar service.

His wealth growing exponentially, Ryan turned to aggressive investment opportunities, notably an ambitious challenge to James Buchanan Duke's tobacco empire through Ryan's financial support of the rival Union Tobacco Company. When Duke himself recognized Ryan's business savvy and realized the catastrophe of a price war, he proposed a merger of his company and Ryan's, forming the American Tobacco Company in 1899,



Thomas Fortune Ryan. (Archive Photos/Getty Images) which quickly became the dominant force in international tobacco sales.

Mature Wealth

Across the next two decades, Ryan continued to define himself as one of the most formidable business minds of his era. He made fortunes by investing in more than twenty-five corporations, displaying a business acumen in fields as diverse as coal and diamond mining, banking, public utilities, and railroads. Along with Jay Gould, David Guggenheim, and Harry Payne Whitney, Ryan embodied the spirit of venture capitalism at the turn of the century. While other investors found the sturdy flatbed typewriter designed for the fledgling Royal Typewriter Company to be plain and uninspiring, Ryan recognized the advantages of this design. He invested in a controlling interest of the firm's initial stock and briefly served as president of the company. A career Democrat, Ryan wielded massive influence in New York politics, and he supported the resurgence of Grover Cleveland and his return to the presidency in 1885.

Not all of his business transactions were successful. Against the growing popularity of the Manhattan subway system, he attempted a disastrous merger with a rival streetcar company and in the process lost nearly $35 million and was investigated for misappropriation of public bond money. In 1905, he made an ill-advised purchase of the Equitable Life Assurance Society. His move into the insurance business, about which Ryan knew little, was criticized as being indefensibly self-aggrandizing and motivated solely by greed, and it did not help that Equitable had a reputation for neglect of the poor and for ruthless settlement practices. This negative public opinion compelled Ryan to back out of the insurance business within four years.

Ryan earned a reputation for competitive, mercenary capitalism and ostentatious living at his Fifth Avenue town house, as well as at Oak Ridge, his five-thousand-acre estate in Virginia. However, his wife, Ida Barry Ryan, emerged as a champion of Catholic charities in New York City, donating large sums of money to both churches and church-run hospitals. In 1909 the Ryans contributed more than $600,000, making them the major donors for the elegant Italian Renaissance-style St. Jean Baptiste Catholic Church on fashionable Lexington Avenue.

Although this generosity was lauded, the Catholic community in New York City was large, and its own financial resources were considerable. When the Ryan family relocated to Oak Ridge at the turn of the century, Ida faced a much different circumstance. The Catholic community in the Protestant South, while steadily growing, lacked the congregational support to undertake the ambitious building program that the church needed. Ida donated considerable sums to assist the Richmond, Virginia, Catholic diocese in constructing new churches to attract the nouveau riche of the Gilded Age and to renovate churches that still bore structural damage from the Civil War. Ryan's money financed the construction of seminary facilities, as well as Catholic elementary and secondary schools. However, it is the unprecedented commitment, made in 1901, to finance the construction of the Cathedral of the Sacred Heart in Richmond with which the Ryan fortune is most associated. The pope recognized Ida's philanthropic efforts by making her a countess of the Holy Roman Empire.

Despite the publicity about his works of charity for the church, Ryan in his sixties became the subject of public scandal. He grew estranged from his wife over her increasing devotion to the church, as well as her immense weight gain (she weighed more than three hundred pounds), and her preference for living at the family's estate in upstate New York. Ryan sought the very public company of Mary Townsend Lord Cuyler, a wealthy widow. When Ida died on Ryan's sixty-sixth birthday, she was not interred in the crypt she had designed in the Cathedral of the Sacred Heart but was buried far away in Hyde Park, New York. Less than two weeks later, Ryan married Cuyler. His eldest son publicly decried the marriage. When Ryan died in 1928, leaving an estate valued at close to $1.5 billion (adjusted for inflation), he left his son only a set of pearl shirt studs. Ryan himself was buried, along with his second wife, on the grounds of Oak Ridge.

Legacy

Thomas Fortune Ryan came from modest beginnings, but with his appetite for acquisition and his passion for the competitiveness of venture capitalism he created an international financial empire that made him, at his death, the wealthiest man the South had ever produced. His legacy, however, is problematic. He invented nothing, no twenty-first century company bears his name, and he did not use his wealth to establish a charity foundation or to endow a university or hospital system. Nor did his family continue his legacy; his fortune was quietly distributed among his descendants, who held a variety of occupations.

Ryan simply made money. He had a lifelong penchant for building ostentatious homes and acquiring contem-

The Cathedral of the Sacred Heart

The Catholic population in largely Protestant Richmond, Virginia, began to increase significantly in the Reconstruction era, when a generation of Northerners relocated with their families to help manage and direct the rebuilding of the South. At this time, the city's Catholic population rose from three thousand to slightly more than thirty thousand in forty years. Leaders of the Richmond diocese recognized that the city's cathedral, built in the 1830's, no longer provided the facilities necessary to accommodate the growing number of churchgoers.

As early as 1886, funds were allocated to try to secure the land needed for a new cathedral. The diocese favored a prime lot in the city's newest neighborhoods, its far west section overlooking Monroe Park. However, the diocese could not raise enough capital. At the request of Richmond's new bishop, Augustine Van De Vyver, Thomas Fortune Ryan and his wife Ida donated $500,000 to ensure the purchase of land and the construction of the facility.

The Ryans chose to direct the project. Joseph Hubert McGuire, a New York City architect schooled in European design, with a strong background in the Italian Renaissance Revival architecture and church construction, was hired to design the cathedral. McGuire had previously worked on numerous church projects in Manhattan. The centerpiece of his design was a magnificent 118-foot copper dome and twin 90-foot bell towers, making the church far taller than any building in Richmond at the time. At the arrangement of the Vatican, a block of white marble from the Garden of Gethsemane was used as a cornerstone at the 1903 ceremony marking the beginning of construction.

The sheer scale of the construction project drew national attention during its three-year duration. No expense was spared in the interior decorations. The cathedral was equipped with the latest safety precautions, notably an elaborate fireproofing system, a legacy of the considerable damage done by fires during the Civil War. Specially designed fireproof tiles lined the church's foundation, an innovation Ryan had first encountered in the construction of New York City's subway system. The church's massive interior, with seating for fifteen hundred people, was decorated with stunning mosaics and imported statuary. The organ, designed by McGuire, was for more than a half a century the largest organ south of the Mason-Dixon line.

With much fanfare and pageantry, including a citywide parade of parishioners carrying lanterns, more than two hundred servers and one hundred bishops from across the country, and a representative of the Holy See, the cathedral was consecrated on Thanksgiving Day, 1906. Cardinal James Gibbons of Baltimore preached the consecration sermon. The Ryan family, seated in the first pew, was lauded for its single-minded determination to ensure the project's completion. In the twenty-first century, the building remained the only cathedral in the United States to be built entirely from the donation of a single family.

porary European art, particularly sculpture, and he commissioned Auguste Rodin to sculpt no fewer than three busts of himself. Despite his indulgences, Ryan resolutely maintained his fortune, except for the almost $20 million (adjusted for inflation) that he donated to the Catholic Church. Although fabulously wealthy in his time, in the twenty-first century Ryan is largely forgotten among the more prominent financiers of the American Gilded Age.

—*Joseph Dewey*

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See also: William Henry Aspinwall; Anthony N. Brady; Daniel Drew; James Buchanan Duke; Jay Gould; William Thaw; Peter A. B. Widener.

John Rylands

British industrialist, merchant, and philanthropist

Rylands was an archetypal self-made man, who provided a crucial role model by deciding to use his textile company, and the enormous wealth it brought him, as an instrument of religious charity, thus becoming the first—and, some might argue, the only—great Christian capitalist.

Born: February 7, 1801; Parr, near St. Helens, Lancashire, England
Died: December 11, 1888; Stretford, near Manchester, England
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Spouse; charity

Early Life

John Rylands (RI-lahndz) was the third and youngest son among the five children of Joseph Rylands (1767-1847) and his wife Elizabeth (née Pilkington; 1761-1829). He attended St. Helens Grammar School for a while, but in 1817 he followed his brothers into the family business, which was then based in the family home and consisted mainly of using hand looms to produce linen goods. Demand for such goods was booming, and in 1819 Joseph was able to elevate their activity to the status of a formal business as Rylands & Sons, operating a draper's shop, as well as manufacturing cloth. Young Rylands became heavily involved in the retail side of the business, working in the shop and operating as a commercial traveler.

The business thrived on the relentless endeavor of the family members, and Rylands was later to claim that he routinely worked a nineteen-hour day. The firm was able to open an outlet in Manchester in 1822. The company then diversified into bleaching and dyeing, as well as manufacture, initially basing its operations in the towns of Wigan and Ainsworth, near Bolton. The profits of the mills acquired in this period were plowed back into the business to enable further expansion.

First Ventures

On March 17, 1825, Rylands married Dinah Raby (1801-1843), with whom he had seven children, all of whom died, and these misfortunes inevitably affected his attitude toward life and work. The death that affected him most of all, however, was that of his mother in 1829. It was that moment, he later claimed, which marked the crucial turning point in his life, after which he was baptized and made a serious commitment to Christian faith and action. Until then he had made money for the sake of making money, but he now had a mission: to build Rylands & Sons into a mighty enterprise for the benefit of its employees and its clients and for the relief of poverty.

The company, largely driven by Rylands's fervent enterprise, expanded into cotton spinning in 1830. Expansion continued in the following decade, when the firm began weaving cloth on power looms. The company's profits were further boosted when rich coal seams were discovered beneath its Wigan mills, enabling the sale of mineral rights. In 1839, Rylands's brothers withdrew from active involvement in the company, and three years later, following the retirement of his father, Rylands became the sole director of the firm, a position he held until his death.

Mature Wealth

On January 4, 1848, Rylands married Martha Cardew (1806-1875), a deeply religious woman who supported him wholeheartedly in his charitable endeavors. The couple had no children, but that merely allowed them to concentrate their efforts on their mission. The firm opened a London branch in 1849, and the company withdrew from linen manufacture in 1854 in order to concentrate on the booming cotton market. Rylands had already become Manchester's first self-made millionaire, and in 1857, when James Morrison died, he became England's leading textile merchant.

The abundance of demand and attempts by cotton growers to sell their goods at higher prices led to a mid-nineteenth century "cotton famine" that brought many of Rylands's rivals to the brink of disaster. Rylands was in a sufficiently strong position to exploit the situation, buying up additional mills and machinery at low prices. He was, however, determined not to exploit his workers in the same fashion as some of his competitors, and he built a number of new mills in Wigan that became models of their kind, as well as greatly improving the mills he owned in Ainsworth and elsewhere. He became the largest manufacturer of cotton in England, as well as the largest trader.

Although his family had been Congregationalist nonconformists, Rylands and his wife were determined that their own cause should not be sectarian in nature. Long before the birth of any formal ecumenical movement, Rylands began promoting the idea of a "Church universal" possessed of a fundamental harmony that he found in church music. He became an avid collector of hymns, amassing thirty thousand in the 1860's, as well as an ardent student of the Scriptures.

In 1873, Rylands & Sons became a limited company, with a capital of £2 million. Although he maintained total control of its operations, Rylands permitted his employees and clients to buy shares in the enterprise and profit from it directly.

By this time, he claimed, he had relaxed his own working day to a mere twelve hours, but he probably did not include his charitable enterprises in this estimate. He had already expanded into the manufacture of ready-made clothing and launched an export drive in Europe and the United States. The two thousand employees he had in 1860 had expanded to twelve thousand by 1875. Cotton was then at the very height of its economic importance, and Rylands exploited that importance to the full. He had built up a reputation for high-quality goods, which he maintained by the use of trademarks, and his manner of doing business commanded enormous respect.

On October 6, 1875, Rylands married for the third time; his new wife, Enriqueta Augustin Tennant (1843-1908), was forty-two years his junior. They adopted a son and a daughter, but it was Enriqueta who was entrusted with securing and continuing his legacy following his anticipated death. In 1878, he was offered the post of sheriff of London, which would have made him eligible for election as the city's lord mayor, but he declined, apparently out of loyalty to Manchester. He was by far

The *Rylands Paragraph Bible* and the John Rylands Library

The first edition of the *Rylands Paragraph Bible*, so named because it numbered all the paragraphs in the text to facilitate indexing, was issued in 1863, with the second edition in 1878 and the third in 1886. The scholars who compiled the new version at John Rylands's request included the Reverend F. Bugby and John Gaskin. The new version, which featured a revised translation of the text, was particularly useful because it contained an index of more than two hundred pages that facilitated searching in a more accessible fashion than Alexander Cruden's *Concordance* of 1737.

The site for the John Rylands Library at 150 Deansgate in central Manchester was purchased by Rylands's wife Enriqueta in 1889, and she commissioned architect Basil Champneys to design the building. Champneys's basic construction material was a distinctive buff and pink stone of a kind known as shawk, which came from the vicinity of Penrith in Cumbria. The library's reading room was built thirty feet above street level in order to minimize traffic noise because at the time of construction, Deansgate was a cobbled street and was exceedingly busy. The library is considered to be one of the finest examples of Gothic architecture in Great Britain.

Enriqueta's original intention was for the library to specialize in theological literature. However, when she began purchasing books, she acquired a considerably larger range of material, mainly because she had bought a collection of forty thousand items assembled by George John Spencer, which had previously absorbed the important Lewis Court Bible collection. Over the years, the library's field of interest expanded considerably to embrace almost all of social science, history, and philosophy, as well as theology.

The library opened its doors on January 1, 1900. It was one of the first buildings in Manchester to be equipped with electric lighting. Two librarians were appointed in 1889, but one of them, Edward Duff, left the library after two years. The other librarian, Henry Guppy, continued to serve in that function until 1948. In 1903, Guppy began issuing a scholarly journal, *The John Rylands Library Bulletin*, which was still published in the twenty-first century.

The largest subsequent addition to the library's collection came in the 1930's, when the widow of Ernest Hartland donated her husband's book collection, which had previously absorbed the collection of Walter Copinger of Owens College. This donation added another two thousand Bibles and ten thousand other volumes to the library's holdings. By the end of the twentieth century, the facility's collection contained ten thousand Bibles in four hundred languages, including twenty complete or partial versions of the English Bible, ranging from the West Saxon Gospels of 990 to the New English Bible of 1970. The library held some four thousand incunabula (or books printed before 1501), including the largest collection of books printed by English pioneer printer William Caxton outside of the British Library.

The John Rylands Library was absorbed into the University of Manchester Library in 1972, when the building became the university's special collections department. The university renamed its library facilities the John Rylands University Library and supplemented the earlier institution's endeavors in several important ways, including publishing important facsimile editions of, and establishing online access to, some of its precious manuscripts, such as the earliest extant example of a New Testament text, a papyrus known as the St. John Fragment.

the most generous philanthropist of his era, making substantial gifts to several towns in which he bought mills. In Stretford, where he lived at Longford Hall, he paid for the town hall, the public baths, the library, and a coffee shop. He disposed his charity far and wide, and his donation to the poor of Rome won him a knighthood of the Order of the Crown of Italy. When the company building the Manchester Ship Canal was threatened with bankruptcy in 1886, Rylands rescued the firm, thus securing the project that made Manchester a port.

When he died in 1888, Rylands's wealth was assessed at £2,574,922. He left numerous specific bequests to charities, lavishing £1 million on the John Rylands Library alone. Enriqueta inherited the remainder of Rylands's estate and earned money from the profits of his business, providing her an estate of £3,607,059 upon her death. No one replaced Rylands as the permanent head of his company. Instead, his three chief lieutenants agreed that they would each serve limited terms as chairman of its board and that the post would continue to rotate thereafter. The company lasted long into the twentieth century in spite of the declining economic importance of cotton, and it was finally dissolved in 1989.

Legacy

The principal legacy Rylands left behind him was his unparalleled example as a Christian capitalist, employing his enterprise for the benefit of entire communities rather than for his own personal enrichment. He dressed plainly and lived frugally, redistributing his wealth on a massive scale. More tangibly, he left behind several collections of hymns culled from his collection that had reached sixty thousand items by the time he died. He also left three editions of the *Rylands Paragraph Bible*, which was intended to free the Scriptures from sectarian interpretations and return them to their individual users, as well as new French and Italian translations of the New Testament. His strong belief in education as a means of cultural progress was translated by his widow into the John Rylands Library, which became one of Manchester's most famous institutions.

—*Brian Stableford*

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See also: Sir Richard Arkwright; Moses Brown; Francis Cabot Lowell; James Morrison; Samuel Slater.

Habib Sabet

Iranian industrialist and businessman

Sabet was the greatest industrialist of twentieth century Iran. He helped modernize the nation's economy by importing Western goods and economic methods. A follower and benefactor of the Baha'i faith, he left Iran in the 1970's, and much of his wealth was confiscated in Iran's Islamic Revolution.

Born: 1903; Tehran, Iran
Died: February 13, 1990; Los Angeles, California
Also known as: Sabet Pasal
Sources of wealth: Manufacturing; trade; sale of products; transportation systems
Bequeathal of wealth: Children; confiscated

Early Life

Habib Sabet (hah-BEEB SAH-bay) was born in Tehran, Iran, to a family who practiced the Baha'i faith but who also had Jewish roots. His father owned a small fabric shop. Although Sabet's father was illiterate, he made sure that Sabet and his sister had a good education, sending Sabet to the progressive Baha'i Tarbiyat elementary school. Sabet later attended St. Louis High School, run by the Jesuits, and he graduated in 1921.

At this time, the newly invented modern bicycle was a novelty in Tehran. Sabet received a used bicycle from his uncle, Rahim Arjomand, and he began working in a shop, repairing and renting bicycles. For 500 toomans, he purchased a used Willys-Overland Jeep. (A tooman was a large Iranian currency bill; in the 1920's, 500 toomans were worth about $150.) Sabet transported passengers and merchandise throughout Tehran and other parts of Iran (also known as Persia), operating what apparently was the country's first taxi service. Sabet's introduction of the taxi service illustrates his ingenuity and drive, as well as his ability to adapt foreign services and goods to the Iranian economy, qualities that he would exhibit in abundance throughout the building of his economic empire. In 1929, Sabet married Bahareh Bagheroff.

First Ventures

With money earned from his taxi service, Sabet expanded to other ventures. He purchased a furniture factory in 1932, which soon landed lucrative contracts with the government. In 1936, he added trucks to his line of taxis and formed the Sabet Transportation Company. Eventually, this company received a contract to deliver a portion of Iran's mail. In his travels in Europe, Sabet would observe features of the European economy, which he would later use in his Iranian businesses. He paid special attention to the fields of media and entertainment, and among his endeavors he operated the first circus in Iran. He spoke six languages, including Arabic, French, and English, in addition to this native Persian.

With the onset of World War II, Sabet decided to immigrate to the United States with his wife Bahareh and their two sons, Iradj and Hormoz. Settling in New York, he rented an office in Rockefeller Center and launched the Sabet-Pasal Company in order to import and export goods between Iran and the United States. Before returning to Iran in 1949, he arranged to become the Iranian representative of some of America's leading exporters.

In August, 1955, Sabet began importing Pepsi-Cola into Iran, opening a state-of-the-art bottling facility in Tehran. Soft drinks may be thought to contain an excess of sugar, but in his memoirs Sabet claimed that Pepsi was a healthy drink in Iran, as Iranians were contracting dysentery from unclean drinking water. Sabet also became the distributor for Volkswagen and General Tire and Rubber Company in Iran. In 1956, his son Iradj returned to Iran, having finished his education in the United States; two year later, his son Hormoz also returned after completing his education. The two would assume important roles in their father's companies.

In 1959, Sabet opened the first television network in Iran, despite several fatwas (condemnations by Islamic scholars) against this Western invention. Most of the shows that Sabet broadcast were imports from the United States, such as *The Untouchables* and *The Lone Ranger*. In 1960, he began broadcasting on a second station. In 1966, he was compelled to sell his television stations to the government, which was establishing a state-owned network. Sabet negotiated a price of about 17 million toomans for his stations, which at that time was equivalent to about $2.5 million.

Mature Wealth

Sabet founded more than forty business entities in the course of his career. In an October, 1974, article, "Entrepreneurial Elite," *Fortune* magazine described Sabet as owning 10 percent of Iranian industry. His Sabet Group consisted of twenty-eight companies with gross revenues of more than $300 million a year, employing more than 8,000 Iranians and 175 foreigners. His companies

Great Wealth and Religion

Jesus Christ warned that it is easier for a camel to pass through the eye of a needle than for a rich person to enter the Kingdom of God (Matthew 19:23-34, Mark 10:24-25, and Luke 18:24-25). Nevertheless, the major religions of the world do not condemn the accumulation of wealth outright, although they do denounce the selfish or perverse ends to which wealth can be used. Great riches can become an idol in place of true worship, but in the hands of a reverent believer, wealth can be used for pious ends. The world's religions have encouraged the wealthy to use their riches not only for the greater productivity and prosperity of humankind but also for humankind's spiritual advancement, since spiritual enterprises require financial support.

As an example of this spiritual philanthropy, the wealthy merchants of medieval Europe helped pay for the continent's magnificent Gothic cathedrals, among the most beautiful and ethereal of human achievements. Almsgiving is one of the traditional good works of the Christian religion, along with prayer and fasting; members of many Christian churches are expected to tithe 10 percent of their annual income. In Islam, the wealthy have for centuries established *waqfs*—endowments used for religious and charitable purposes. One of the pillars of Islam is the *zakāt*, the requirement to donate 2.5 percent of one's wealth to the poor. In Judaism, *tzedakah* (charity) consists of annual support of the needy. Hinduism, Buddhism, and other faiths have similar strictures. In India, Jain merchants have a long tradition of providing for monks, manuscripts, and monasteries. Habib Sabet's prominence in the Baha'i religion can be partly attributed to his business success and his ability to contribute to the support of Baha'i temples worldwide.

As great wealth is accumulated, however, it becomes a tempting target. Money can be put aside for godly purposes, but that does not mean that God will protect it from human greed. In the fourteenth century, the wealth accumulated by the Knights Templar proved to be too much of a temptation. King Philip the Fair of France condemned the order and confiscated its property. In the sixteenth century, King Henry VIII appropriated the wealth and property of the English monasteries. Protestant reformer Martin Luther attacked religious donations that were connected to indulgences, alms, and good works as Catholic "trafficking" in souls.

Throughout history, there have been perennial attempts to justify the accumulation of great wealth as the will of God. Sociologist Max Weber wrote *The Protestant Spirit and the Rise of Capitalism* (1905) to investigate the link between the growth of capitalism and the evolution of Protestantism. Andrew Carnegie, perhaps the second-richest industrialist of all time, after the equally religious John D. Rockefeller, wrote his essay "The Gospel of Wealth" (1889) to urge the captains of industry—known to some as "robber barons"—to fulfill a religious imperative by employing their wealth for the good of society. Carnegie certainly became one of the greatest of all philanthropists. In the twentieth and early twenty-first centuries, the so-called Prosperity Gospel gained adherents in evangelical and Pentecostal churches, illustrating that the generation of wealth continues to be capable of generating religious fervor.

spanned the business spectrum. He was engaged in oil and gas refining and distribution and later moved into the field of nuclear power. He also was involved in various types of manufacturing. His retail and wholesale business chains sold pharmaceuticals, household appliances, and other consumer items. He owned a real estate company that held almost one hundred properties. His Pepsi-Cola license remained a mainstay of his business. In addition, he was a major banker, serving as the vice chairman of the Industrial and Mining Development Bank of Iran and serving on the board of directors of the Iran-British Bank and the Iran-Middle East Bank.

Sabet successfully licensed other Western products for sale in Iran, as he had already done with Pepsi-Cola. He had licenses with Autolite, the Bank of London, Johnson & Johnson, Magic Chef, Nabisco, Phelps-Dodge, RCA, Revlon, Squibb, Union Carbide, and Whirlpool. His Iranian companies were vertically integrated, allowing him to control the production and sale of items from their manufacture to their eventual distribution.

In the 1960's, Sabet began spending more time in his luxurious Parisian apartment in order to escape the Iranian persecution of Baha'is and because of his interest in art collecting. He filled his apartment with valuable antiques, including a writing desk that formerly belonged to the Russian czarina Alexandra, for which he paid $440,000. In June, 1975, he purchased a three-foot-tall bronze horse made in sixteenth century Florence from Guy de Rothschild for $375,000. "The nicest thing about it," Sabet quipped, "is that you don't have to feed it." On property located outside Tehran, he built a replica of the Petit Trianon, Marie-Antoinette's hideaway in Versailles, but with the modern additions of a swimming pool and an underground garage.

Sabet faced several obstacles to his success. He was born poor, had no government contacts, and was a member of the Baha'i religion. He was able to overcome the first two obstacles, but his religion continued to expose him to discrimination. Sabet made donations to Baha'i temples throughout Iran. He visited Baha'i members and delegates on his worldwide trips. When he was proposed for a seat on the board of the National University of Iran, Islamic clerics threatened a fatwa against the university, and his nomination was quashed. His economic ties to the West were often labeled unpatriotic, and he was even accused of spying. In 1976, he became a permanent resident of France, leaving the management of the company to his sons, who divided their time between Iran and the United States. However, they also fled Iran in 1979, when the Islamic Revolution overthrew the existing government.

Sabet's property and wealth were confiscated by the newly created Islamic Republic of Iran. In 1981, Iran and the United States created a claims tribunal in order to handle the complaints of American citizens whose property had been seized by the Iranian government. Neither Sabet nor his wife and sons could register a claim under the statute as they were not American nationals as defined by the terms of the tribunal. However, Sabet's six grandchildren had been born in the United States, and they sued for the return of $75 million worth of shares in Sabet's companies that had been expropriated. Habib Sabet died of congestive heart failure in Los Angeles in 1990.

Legacy

Habib Sabet helped modernize Iran's economy and industrial capacity, and he is best known for introducing two innovations: Western soft drinks and television. His industrial conglomerate had a wide impact on Iran's economy. Perhaps endowed with a more internationalist perspective because of his Baha'i faith, Sabet licensed numerous Western products for distribution in Iran. His grandchildren's lawsuit against the Islamic government of Iran created a new precedent in international law when the Iran-United States Claims Tribunal in 1999 determined that the grandchildren were nationals of the United States, despite their Iranian ancestry, and were therefore able to recover family assets seized by the Islamic government.

—*Howard Bromberg*

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RUSSELL SAGE

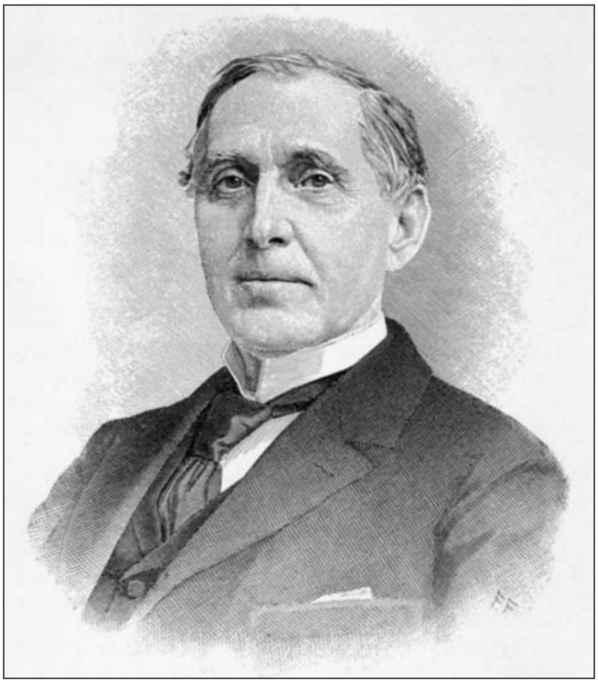
American banker, investor, and politician

Sage was one of the leading financiers of the nineteenth century, amassing a large fortune from the railroads and banking. His wealth was used for worthy social purposes, and after his death his widow established a prominent foundation and a women's college.

Born: August 4, 1816; Oneida County, New York
Died: July 22, 1906; Lawrence Beach, Long Island, New York
Sources of wealth: Banking; investments
Bequeathal of wealth: Spouse

EARLY LIFE

Like most boys of his era and family economic status, Russell Sage received a brief and indifferent education and left school early. He had been born while his father Elisha Sage and mother Prudence (née Risley) Sage were trekking from Connecticut by oxcart destined for Michigan. The exact location of Sage's birthplace is open to question and is variously given as Verona Township or Shenandoah, New York, both in Oneida County. His New England-born father supposedly could trace his ancestry in America back to the 1650's.



Russell Sage. (Archive Photos/Getty Images)

After Sage's birth, the family progressed no farther than upstate New York, where his father purchased land and began farming. The young Sage labored as a farmhand, and in his early teens he went to work at his older brother's store. Despite his lack of formal education, he was bright and ambitious and began attending night school to learn arithmetic and accounting practices. He began trading in securities and by the age of twenty-one had amassed enough capital to buy his brother's store. Within a relatively short time he had sold the business at a profit.

FIRST VENTURES

Sage's business acumen resulted in the establishment, with a partner, of a wholesale grocery company in Troy, New York, in 1839. Besides the sale of meats and grains, the company expanded to include horse trading. The partners also maintained a fleet of ships on the Hudson River to transport their goods. Quickly becoming a significant citizen in his small town, Sage made his first foray into politics as a Troy alderman in 1841 and served in this capacity until 1848. In 1841 he also married his first wife, Maria Winne, a local girl.

From his initial political office he advanced to the position of Rensselaer County treasurer. By his early thirties, Sage was a force in the local Whig Party and was elected to be a delegate to the party's national convention. He next turned his ambitions toward Congress, to which he was elected, after an initial defeat, in 1852. He won reelection two years later but did not seek another term. During the time he held office he deserved at least partial credit for urging the restoration of Mount Vernon, George Washington's Virginia home.

MATURE WEALTH

By the mid-1850's, Sage had departed political life to devote full time to building his fortune, which he accomplished through banking and by investing in railroads. His interest in railroads apparently had been sparked by a chance meeting, supposedly in a railway station, with the notorious "robber baron" and railroad manipulator Jay Gould. Sage had loaned money to a small Midwestern railroad in which he became a major stockholder. When that line expanded into a much larger regional line, the Chicago, Milwaukee and St. Paul Railroad, his investment paid off handsomely. He was also made a director and then a vice president of this rail line. Much of Sage's fortune was made when smaller railroads in which he had invested were merged into larger companies.

During the height of the Civil War, Sage moved to New York City. He had become increasingly involved in the stock market, buying a seat on the exchange, and he is credited with being the originator of the financial instruments called "puts" and "calls" in the early 1870's. He still retained interests in several railroads and served as a director for many of them, including the mighty Union Pacific. He also served on the boards of many large banks.

Two years after his wife Maria's death in 1867, he married for a second time to Margaret Slocum. This same year he ran afoul of the law in a usury case and was fined, although he avoided a jail term. Sage increasingly had linked his business activities with those of Gould, and together they attempted to seize control of the elevated lines in New York City. Their method of stock manipulation was widely decried, and their partner, the well-regarded industrialist Cyrus West Field, was permanently tarred by this venture. Sage and Gould, however, not only gained control of the lines but also emerged from the bruising battle relatively untouched. Although moguls like Gould tended to be bold and audacious, Sage was more conservative in his financial dealings, preferring possibly smaller but more certain profits. Speculation was generally something he avoided, and this philosophy stood him in good stead as his vast fortune grew. His greatest reversal came during one of Wall Street's many "panics," during which he lost an estimated $7 million in the mid-1880's.

Among Sage's business dealings was his involvement with Gould in the founding of the Atlantic and Pacific Telegraph Company, which eventually merged with Western Union Telegraph Company. As he grew older he became even more conservative, preferring to be involved in loaning money to others rather than risking it himself. He was said to have made loans of several million dollars in the course of a single day. In spite of his great wealth, Sage lived a relatively spare life, except for his indulgence in raising racehorses, and he could even be called somewhat miserly in his everyday domestic dealings. His wife was credited with being the instigator of much of the couple's charitable activities, and she obviously did not share her husband's penuriousness. As did many of their rich contemporaries, the

The Russell Sage Foundation

The Russell Sage Foundation was originally established in 1907 with funding from Margaret Sage, the widow of financier Russell Sage. The foundation's stated purpose was the "improvement of social and living conditions in the United States." During its initial years, the organization played a major role in investigating how life for the poor and elderly could be improved and how conditions in prisons and hospitals could be ameliorated. Early efforts also were directed toward establishing social work as a respected profession. The organization subsequently involved itself in health care, labor legislation, training for nurses, and social security programs. In more recent years it has sought to foster rational social policies by strengthening the social sciences as a discipline.

One of the foundation's major ongoing initiatives began with the use of data from the 1950 census. Except for the 1970 census, the organization has published multivolume reports about economic and social conditions within the United States based upon the statistics gathered by each census count.

The foundation began a visiting scholars program in 1967 that enables participants to pursue their writing and research and collaborate on projects. Scholars each year are invited to investigate topics in the social and behavioral sciences. Many of the studies focus on the evolution of the United States' social and economic policies, and much of the research is conducted at the foundation's research center in New York City.

In 1993, the Russell Sage Foundation established the prestigious Behavioral Economics Roundtable; subsequently, three of its members went on to win Nobel Prizes. In addition, the foundation finances research at other institutions that advance its own research programs, sponsors seminars and working groups aimed at developing new topics in the social sciences, maintains its own extensive book publishing program, and collaborates with other grant agencies and academic institutions to study issues in the social sciences.

Some of the research programs undertaken by the Russell Sage Foundation in the twenty-first century include studies relating to the absorption of immigrant families into the mainstream of American life and immigrant experiences in small towns and cities. Other studies relate to the social effect of economic inequality; the ways in which American institutions were affected by the terrorist attacks on September 11, 2001; and how these institutions respond to the growing diversity of the nation's population. A major cofunded study launched in 2008, and a subsequent report, surveyed the prevalence of workplace violations endured by workers earning low wages in three major American cities.

DAVID SAINSBURY

British corporate executive, politician, and philanthropist

Sainsbury, one of the richest men in Great Britain with a personal fortune of between £1 and £2 billion, uses his wealth to support liberal political parties and to fund philanthropic projects through the Gatsby Charitable Foundation, which focuses on projects relating to science.

Born: October 24, 1940; London, England
Also known as: David Sainsbury, Baron Sainsbury of Turville; Lord Sainsbury; Baron Sainsbury of Turville
Sources of wealth: Inheritance; retailing
Bequeathal of wealth: Political organization; charity

EARLY LIFE

David Sainsbury (SAYNZ-buh-ree), Baron Sainsbury of Turville, was born on October 24, 1940, the son of Sir Robert Sainsbury. David was a member of the Sainsbury family, which in 1869 founded what would later become Sainsbury's Supermarkets Ltd., one of the most successful grocery store chains in Great Britain.

David was educated at Eton and Cambridge University. He began studying history at Cambridge but became interested in science. He earned a degree in psychology in 1963 because he was fascinated by the discoveries being made in the study of deoxyribonucleic acid (DNA). This prompted his lifelong interest in cognitive neuroscience, and he also developed an interest in plant genetics.

FIRST VENTURES

Because his college grades were not good enough for him to become a scientist, Sainsbury joined his family's firm, J. Sainsbury plc, as a trainee in the personnel department in 1963. Three years later, he rose to be a director of the firm. He went to Columbia University in New York City to earn a master's degree in business administration in 1971. Based on his experience in the United States, he introduced discounted cash flow techniques to J. Sainsbury. He returned to the firm as financial controller, serving in this position from 1971 to 1973, and he also was the firm's financial director from 1973 to 1990 and its deputy chairman from 1988 to 1992.

MATURE WEALTH

In 1992, Sainsbury took over the firm's leadership as chairman and chief executive officer. During that time, J. Sainsbury's sales tripled, climbing to £10.6 billion in 1994. However, his chairmanship of the company was more difficult for him than for any of his predecessors, and he was often asked to resign.

J. Sainsbury was gradually losing market share to competitors Asda, Safeway, and Tesco. The chain's customers no longer perceived that the Sainsbury supermarkets offered low prices, good service, or innovation. In 1995, Tesco surpassed Sainsbury Supermarkets as the number one grocery chain in Britain, and in 1996, J. Sainsbury reported its first profit decline in twenty-two years. David Sainsbury was accused of letting his attention to the grocery business drift while the firm diversified in the United States.

However, Sainsbury led the fight to revive the business. He recruited new senior management and reorganized the firm's structure to make it run as a group of diverse and significant businesses, not a supermarket chain with some additional businesses. He also restored the firm's culture of innovation. To regain sales, J. Sainsbury undertook a number of initiatives. It improved its cus-

David Sainsbury. (AFP/Getty Images)

The Gatsby Charitable Foundation

Following his family's tradition of public service and philanthropy, David Sainsbury founded the Gatsby Charitable Foundation in 1967, using his own inheritance. The Gatsby Foundation is the largest and most prominent of the nineteen trusts established by the Sainsbury family. In 1993, Sainsbury gave the foundation more than £300 million, the majority of which was in shares of stock from his company, the J. Sainsbury grocery chain; at the time, this was the largest charitable donation ever given in Great Britain. Each year since 1993, Sainsbury has added £10 million to the grant. In 2005, Sainsbury directed that the foundation spend all its capital and income before his death.

The foundation funds programs that are close to Sainsbury's own interests, focusing on neuroscience research, science education, mental health, aid to Africa, and plant science, especially the genetic resistance of plants to disease. Among its plant science initiatives, the foundation planned to construct a new research laboratory for the botanic garden at Cambridge University. In addition, the Sainsbury Laboratory in Norwich conducts research on the molecular interactions between pathogens and plants. The foundation is also financing research on neural circuits and behavior at University College, London, and is using technology to better understand how the brain works.

In its efforts to assist Africa, the foundation believes in the value of working through small-scale trusts that it has established since the mid-1990's. The organization seeks to assist small-scale farmers in order to improve their agricultural productivity; for other small business enterprises, the foundation's goal is to help them toward industrialization. The skills that Africa needs for management and governance are being developed within the trusts. The foundation also seeks to create investment funds that will allow African enterprises to develop and grow.

To stimulate Great Britain's innovation and growth, the foundation places great emphasis on science and engineering education. It is concentrating on four areas: fostering innovative approaches to recruiting secondary school science teachers; providing resources for professional development and curriculum; supporting vocational courses and a new engineering diploma for continuing education instructors; and partnering with key organizations to coordinate initiatives in science education.

The Sainsbury Centre for Mental Health focuses on mental health in the criminal justice system and in employment. In these areas, the center is combining its research and advocacy skills with its contacts among policy makers.

The Gatsby Foundation also supports several arts projects that have been initiated by other members of the Sainsbury family. It has contributed to the Sainsbury Centre for Visual Arts in Norwich at the University of East Anglia, the Sainsbury Institute for the Study of Japanese Arts and Culture, and the theater for the Royal Shakespeare Company at Stratford-upon-Avon. By 2009, the Gatsby Foundation had donated £660 million for its various activities.

tomer service with the addition of five thousand employees and added the Texas Homecare chain for the do-it-yourself market in 1995, transforming it into the Homebase brand. In 1997, J. Sainsbury opened a fully chartered retail bank, Sainsbury Bank, offering credit cards, savings accounts, personal loans, mortgages, and other financial services. The firm also opened Orderline, a home shopping venture, and expanded into Scotland and Northern Ireland. Despite these steps, the firm's market value dropped from its peak of £10.3 billion to £5.7 billion in 1998.

David Sainsbury continued his family's commitment to public service, charitable works, and progressive politics. His political career began when he joined the Labour Party in the 1960's. He later supported the Social Democratic Party, whose leader, David Owen, he admired. Sainsbury was a trustee of the Social Democratic Party from 1982 to 1990, and in 1987 he pledged to be the troubled party's benefactor and fund-raiser, which ensured the party's survival. When the Social Democrats and Liberal Party alliance collapsed, Sainsbury returned to the Labour Party, to which he donated £16 million after Tony Blair became its leader. Sainsbury once gave the party £1 million to clear a postelection debt. Sainsbury also funded Progress, Blair's policy institute and political magazine.

In a surprising move in 1998, Sainsbury resigned from J. Sainsbury after thirty-five years with the firm in order to pursue his two passions, politics and science. As a reward for his services to the Labour Party, Blair in 1997 elevated him to the House of Lords as Baron Sainsbury of Turville and the following year appointed Sainsbury the Labour Party's minister for science and technology, which allowed him to pursue his passion for science. Sainsbury gave up direct control of his company, and to remove the appearance of a conflict of interest he put his 23 percent of J. Sainsbury shares into a blind trust.

As a junior minister, Sainsbury guided legislation through Parliament, and he oversaw a large increase in government spending on the sciences. As science minister, he aroused some controversy. He acted to protect Huntingdon Life Sciences from the protests of animal rights activists. His own financial interest in companies that held patents for the development of genetically modified food crops aroused objections when the government was being attacked for refusing to ban these crops.

Sainsbury resigned from the government in 2006 in order to focus on business and charity. Upon his resignation, the nation's scientists expressed gratitude for his achievements during his eight years as a champion of British science. He had persuaded the government to increase its science budget from £1.3 billion to £3.4 billion. Under his influence, the government also provided incentives for universities to transfer technology. At the request of Prime Minister Gordon Brown, Sainsbury agreed to oversee a review of science and innovation across government. His report, *The Race to the Top*, was published in 2007.

In 2005, Sainsbury pledged to be the first Briton to donate more than £1 billion to charity during his lifetime. He instructed the trustees of his foundation, the Gatsby Charitable Foundation, to spend all his money before his death. In this way, he could ensure that his money was distributed according to his wishes. In 2009, Sainsbury, through his Gatsby Charitable Foundation, spent £15 million to create the Institute for Government. The institute conducts research and sponsors educational programs for all political parties and senior civil servants in order to improve government effectiveness.

Sainsbury has received numerous awards, many recognizing his philanthropic activities and contributions to science. He received an honorary doctorate in science from Cambridge University in 1997; that same year, Columbia University awarded him the Botwinick Prize, given to business leaders who display outstanding ethical practices in management and leadership. He was the first Briton to receive the Andrew Carnegie Medal in 2003 for his services to philanthropy. He was made an honorary fellow of the Royal Society in 2008.

Legacy

David Sainsbury is determined to use his huge personal wealth, derived from the Sainsbury's supermarket chain, to continue his family's commitment to public service, liberal politics, and philanthropy. His special interest, science, led him to work as a government minister to promote science and innovation in Great Britain.

—*Thomas McGeary*

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See also: David and Frederick Barclay; Richard Branson; Deborah Cavendish; Elizabeth II; John Ellerman; Gerald Grosvenor; Anita Roddick; J. K. Rowling.

José de Salamanca y Mayol

Spanish banker, railroad builder, real estate developer, and politician

Salamanca was one of the wealthiest persons in nineteenth century Spain. He was a pioneer in building railroads and took on projects that combined profits with public service and national development. He maintained an extravagant lifestyle, but much of his spending supported the arts in Spain.

Born: May 23, 1811; Málaga, Spain
Died: January 21, 1883; Carabanchel Bajo (now in Madrid), Spain
Also known as: Pepe Salamanca; Marqués de Salamanca; Conde de los Llanos
Sources of wealth: Banking; railroads; real estate; investments
Bequeathal of wealth: Dissipated

Early Life

José de Salamanca y Mayol (ho-ZAY day sahl-ah-MAHN-kah ee mah-YOL) was born on May 23, 1811, in Málaga, Spain. His father, José María Salamanca, was from the town of Utrera, southeast of Seville, and was an important doctor. His mother, María Polonia Mayol, was a native of Málaga. In 1825, the young Salamanca received a scholarship to study philosophy at the Colegio de Santiago in Granada and then law at the University of Granada. At this time he got involved in liberal politics against the regime of King Ferdinand VII, but he was able to finish his law studies in 1829.

Through his father's political connections, Salamanca became magistrate of Monóvar. His notable achievements there earned him an appointment in 1835 as magistrate of Vera. That year, Salamanca married Petronila Livermore Salas, daughter of an English businessman in Málaga, and he was chosen to represent Almería Province in the revolutionary junta (assembly) of Seville. In 1836, he was elected a *diputado* (deputy) to the Cortes en las Constituyentes (Constituent Parliament), although when he arrived in Madrid he had to wait another year to assume the seat because of his young age.

First Ventures

Salamanca showed an early proclivity for mixing politics and business. In 1841, he persuaded the minister of finance to lease the salt monopoly to him for twice the amount it was earning for Spain. During the five-year lease, Salamanca's profits exceeded 300 million reales, allowing him to move into a large house, which he always kept open to artists and writers whom he feted with fine food, French wines, and Cuban cigars. In the same year he was sent to London to try to reduce Spain's debt; he succeeded in getting the interest rate lowered from 5 to 3 percent. This deal cemented his reputation as a premier financier. In the 1840's, he started speculating in the Madrid stock market, but its small size and undercapitalization meant that huge returns were often followed by large losses.

Mature Wealth

Temporarily renouncing the stock market, Salamanca returned to business. In 1844, he was the leading cofounder of the Banco de Castilla (Bank of Castile), which later became the Banco de Isabel II and then merged with the Banco de San Fernando (now the Banco de España). After traveling abroad to study railroads, Salamanca started the construction of a rail line between Madrid and Aranjuez in 1845. In the same year he formed the Caminos de Hierro del Norte de España, a company that built railroads in northern Spain, with funds from Spanish and British investors. These ventures required government support at a high level, which led him in 1847 to accept the post of minister of finance with backing from the left wing of the Partido Moderado, one of the country's political parties. The party's conservatives put him on trial in the Congreso de los Diputados (Congress of Deputies) in January, 1848, for using his post for personal gain. Fearing prison, Salamanca fled to Bayonne, France, in March. In May, 1849, a Madrid court declared Salamanca bankrupt.

Returning to Spain in May thanks to a general amnesty for political exiles, Salamanca sought to restore his fortune. He obtained an extension of his concession for the Madrid-Aranjuez rail line and managed to get the declaration of bankruptcy removed. When the Madrid-Aranjuez line was inaugurated in 1851, his reputation was restored. He quickly sold the concession to the city of Aranjuez for 60 million reales, leased the line back from the city, and used the remaining funds to win new concessions all the way to Alicante by 1858. The Aranjuez-Alicante line was sold to French parties, including the Rothschilds, for 135 million reales. With that capital and his earnings from continued speculation on the Madrid stock exchange, Salamanca built other railroads in Spain, Italy, Portugal, France, the Danubian principalities (now Romania), and the United States, where he was an investor in the Atlantic and Great Western Railway and Salamanca, New York, the railway's eastern terminus, which is named in his honor. By 1854 his fortune exceeded the one he had lost while in exile.

In the early 1850's Salamanca assumed an even more extravagant lifestyle. He moved into a palace that occupied nearly an entire block and filled this mansion with an extraordinary collection of fine art and antiques. He also rebuilt the Circo de Paul, a theater that had burned down, and made it a favorite destination for Madrilenians wishing to watch opera or ballet. Once again, however, Salamanca had to flee to France, this time to escape the fury of the revolution of 1854, during which rioters destroyed his home.

Returning in 1856 to a calmer Spain, Salamanca resumed his ventures. The late 1850's and early 1860's marked the apogee of his wealth. Around 1856 he assembled the lands in Albacete that were to comprise the great estate called los Llanos. In 1858 he completed construction of the Palace of Recoletos and founded the Banco Hipotecario, a mortgage bank. In 1859 he bought for 2.5 million reales the Palace of Vista Alegre, which had been built by Queen Maria Cristina and King Ferdinand VII. In addition, he owned houses in Paris, Rome, Lisbon, and London. By 1863 his wealth totaled 400 million reales. That year, Queen Isabel II gave him the title marqués de (marquis of) Salamanca and made him a senator for life. The following year she added the title of conde (count) de los Llanos to his laurels; this honor made him a grandee of Spain.

The undertaking that most people associate with his name—development of the Salamanca district of Madrid—was the beginning of his ruin. In 1860, the Plan Castro for the extension of Madrid was approved by royal decree. Salamanca was the first to dare to profit by implementing the plan. Rents in Madrid were soaring because there was insufficient housing, and Salamanca was aware that in England and the United States real estate development had yielded great fortunes. Salamanca decided to buy agricultural land in the northeast sector of

The Salamanca District of Madrid

The Salamanca district is one of twenty-one Madrid districts. Situated near the center of the city, it includes the neighborhoods of Recoletos, Goya, Lista, Castellana, Fuente de Berro, and Guindalera. The first four neighborhoods include the part of Madrid's extension that José de Salamanca y Mayol began to urbanize in the 1860's because he thought the land, east of the paseos (avenues) of Recoletos and la Castellana, was well located and salutary.

Salamanca built 130 apartment buildings and eighteen single-family dwellings (*hoteles*) in the area he called New Madrid. He originally intended to follow the guidelines in Plan Castro (1860), which called for blocks open in the center and buildings of no more than four stories. Although pressure for profits led to more intensive construction, the district was developed attractively.

The first apartment buildings had four floors and interior patios with gardens and coach houses. The ground floor was designed as a semibasement for service activities; in later years, this floor became a location for luxury retailers. The two floors above the ground floor had two apartments, one facing the street and the other the patio. The attic was for servants and employees. Facades were plastered with decorative moldings and ironwork balconies, presenting a uniform exterior.

Salamanca intended the *hoteles* for the high bourgeoisie who could not afford palaces. There were two orders of *hoteles* with different price levels. The first order had more and larger rooms and was slightly taller. However, all the homes had a semibasement, a ground floor, two living floors, and an attic. The semibasement was designed for service workers; the ground floor featured the dining room, drawing room, and study or library; the two living floors contained bedrooms and a dressing room; the attic was the site of the servants' bedrooms. The additional rooms of the first-order homes included a billiards room and an office on the ground floor and a bathroom on the second living floor; these homes also had a service stairway and a cupola. The exteriors of the two orders of homes were similar except for the doorways, windows, and decorative moldings.

After the initial construction, laws were passed that permitted less space in the interior patios and allowed buildings of five stories and higher. Nevertheless, in the twenty-first century the older neighborhoods of the Salamanca district continued to be divided into the original grid of right-angled streets and still contained some of the most expensive residences in Madrid. The mansions or palaces there have typically been converted into embassies, museums, swank hotels, or offices. The existing architecture is more diverse than it was in the nineteenth century and includes some twentieth century styles. However, municipal laws protect many of the old buildings and the most popular style in the early twenty-first century was neoclassical.

the approved extension, urbanize it, and watch its value soar. Failing to win financial backing in London and Paris, he undertook the urbanization at his own expense. Because real estate prices began to fall and interest rates, at 18 percent, were high, he had to sell the buildings at a loss.

The declining real estate values, stock market losses, and the death of his wife Petronila in 1866 damaged Salamanca's self-confidence. He sold off his best artworks in Paris in 1868 and more pieces of art and his library in another auction there in 1875. To reduce exposure to his real estate holdings, in 1873 he formed a limited liability company for the Salamanca district, Compañía de Inmuebles del Barrio de Salamanca, which reduced his debt to 35 million pesetas; however, this company soon failed. He then he sold the Palace of Recoletos to the Banco Hipotecario in 1876 and planned to move in with his adopted daughter, María Josefa, who resided in a single-family dwelling in the Salamanca district.

Salamanca undertook two final projects to turn his fortunes around. In 1879 he started constructing the Duero Canal to provide the city of Valladolid with water, but creditors took over the project. Then, envisioning the resort potential of San Sebastián, a city on Spain's north coast, he hired more than one thousand men to reclaim swampy land along the mouth of the Urumea River. Some 52,000 square meters of land were reclaimed, but Salamanca worked so hard he contracted pneumonia. He rushed home to his Palace of Vista Alegre and died on January 21, 1883, leaving almost no estate to his two grown children María and Fernando.

Legacy

Spain in the twenty-first century is a richer country because of Salamanca's energy and foresight. He envisioned and constructed some of the most well-traveled rail lines in Spain. His real estate investment in the Salamanca district was the catalyst for the creation of the finest residential area in central Madrid. The first to make mortgages available in Spain, he expanded home ownership. As the premier representative of a new money aristocracy in nineteenth century Spain, he assumed spendthrift habits, but he was also very generous in his support of the arts.

—*Steven L. Driever*

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See also: Miguel de Aldama; Manuel Calvo; Antonio López y López; José Xifré.

David Sassoon

Iraqi merchant

Although he built a fortune bringing the misery of opium addiction to millions of people in China and Japan, Sassoon used his wealth to do good, especially for the Jews of Iraq and India. In the process, he founded a dynasty of international renown.

Born: October, 1792; Baghdad, Ottoman Empire (now in Iraq)
Died: November 7, 1864; Pune, India
Sources of wealth: Inheritance; trade; narcotics trafficking
Bequeathal of wealth: Children; charity

Early Life

David Sassoon (sah-SOON) was the son of Saleh Sassoon, a descendant of Abraham Ibn Shoshan, a Sephardic Jew who flourished in fourteenth century Spain. Saleh was a prosperous financier and respected leader of Baghdad's Sephardic community who served as state treasurer between 1781 and 1817 under a succession of Ottoman pashas.

David was traditionally raised and educated. He became fluent in Hebrew, Arabic, Persian, and Turkish. As an adult, Sassoon went to work in a banking house. He married and fathered four children by his first wife. After she died he married Farha Hayim, and the couple had six sons and three daughters.

First Ventures

Conditions changed for the Baghdadi Jews after Daud Pasha came to power in 1817 and began a campaign of persecution. As the son of a prominent community leader, Sassoon was imprisoned. After his release following the payment of ransom, the Sassoon family, like most of the Jews in Baghdad, fled the city. The Sassoons moved first to Basra and by the early 1830's had made their way to Bombay (now Mumbai), India.

In India, David Sassoon & Company was established, and the firm soon became the exclusive agency for the British textile and Indian silk trades. Sassoon was also given monopoly rights for Indian opium, and with the assistance of his sons he developed a network that imported the drug in vast quantities into China and Japan. By the mid-1830's, the Sassoon family annually imported tons of opium into Chinese ports, earning millions of dollars. When the Manchu emperor tried to halt opium imports, the British launched the First Opium War (1839-1842) at Sassoon's instigation. The Chinese were defeated, and Sassoon gained important concessions for his drug trade in the Treaty of Nanjing.

Mature Wealth

Sassoon and his sons continued to expand their export trade, dealing in silver and gold, spices, and wool, although the mainstay of the business remained opium until late in the nineteenth century. By the end of the Second Opium War (1856-1860), the Sassoons were bringing millions of pounds of drugs into China, and the family had become the richest Jewish merchants in the world.

David Sassoon earned a reputation for giving back to the community. He employed entire families of Jews from Baghdad and Bombay. He built several synagogues and a Talmudic school. He constructed a reformatory, an asylum, a hospital, and a library. He donated generously to sailors' homes, famine funds, and other charities. He became a British citizen in 1853, and he was accorded many honors during his lifetime and after his death in 1864.

After his death, Sassoon's children carried on various aspects of the business. His son Albert Abdallah David Sassoon succeeded his father as head of the family's company before moving to England, where he was visible in British society and was knighted. Another son, Edward Albert Sassoon, married into the Rothschild family, served in Parliament, and also was knighted. A third son, Elias David Sassoon, opened his own company in China and Hong Kong; Jacob Elias Sassoon became a prosperous mill owner in India; and Solomon David Sassoon became a prominent banker in Bombay.

Legacy

While the Sassoon empire had been largely dispersed by the twenty-first century, many landmarks erected by the family, including docks, hotels, synagogues, hospitals, schools, libraries, and parks, still stand in India, China, Hong Kong, and Great Britain as reminders of the widespread influence and financial power of David Sassoon and his far-flung progeny. Numerous descendants of Sassoon, including his late grandson, poet Siegfried Sassoon, and several rabbis, lived in the United States, Israel, and Great Britain, though not all bore the Sassoon name. Diminished in numbers since Sassoon's time, many of the close-knit, formerly Baghdad-based Sephardic communities that his business enterprises fostered continue to live in the Far East.

—*Jack Ewing*

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See also: William Jardine; John Palmer; James Mayer Rothschild; Richard Thornton; Wu Bingjian.

Jacob Schiff

American investment banker

Schiff used his financial genius to become one of the richest investment bankers in the world. He was instrumental in the development of the railroads and used his wealth to found and support various medical, educational, political, and philanthropic organizations.

Born: January 10, 1847; Frankfurt-am-Main (now in Germany)
Died: September 22, 1920; New York, New York
Also known as: Jacob Henry Schiff; Jacob Hirsch Schiff (birth name)
Sources of wealth: Banking; railroads; investments
Bequeathal of wealth: Children; medical institution; charity

Early Life

Jacob Henry Schiff (shihf) was born in Frankfurt-am-Main in 1847, the son of Moses and Clara Schiff. The Schiffs, a well-to-do family, were descendants of the oldest recorded Jewish family, tracing their roots back to the fourteenth century. Moses Schiff started his career as a clothing trader and became a successful stockbroker. The Schiffs, who shared a two-family house with the Rothschilds, were part of the upper-class Orthodox Jewish society of Frankfurt.

Jacob was sent to a model school, Israelitische Religionsgesellschaft, which balanced traditional education with religious instruction. His experience at school was the foundation of Schiff's lifelong love of education, art, and religion. At fourteen, Schiff was apprenticed to a large mercantile business, and in 1864 he apprenticed at his brother-in-law's bank. By 1864, Schiff was determined to leave German banking, which he felt was stifling, for the greater opportunities that existed in American business. After a struggle with his father, Schiff finally left for the United States with the family's blessing.

First Ventures

In 1865, Schiff began working at a New York City brokerage firm, Frank & Gans, where he excelled at making money and acquiring clients. He attained his brokerage license in 1866 and by 1867 had joined Bridge, Schiff & Co. as a partner. In September, 1870, Schiff became a naturalized American citizen, an honor he took seriously for his entire life. He loved being an American and developed his political and philanthropic ideals from a balance of Judaic and American beliefs.

However, he returned to Germany in 1872 to head the Hamburg branch of the London & Hanseatic Bank, and he moved back to Frankfurt the following year because of his father's failing health. He remained in Germany until his father's death and returned to America in 1874, at the behest of Solomon Loeb, to continue his financial career. In 1875, Schiff joined Kuhn, Loeb and Company, and he married Theresa, Loeb's daughter, on May 6, 1875. Schiff's extraordinary knowledge of and friendship with banking families throughout Europe, both Jewish and Gentile, allowed him access to untold wealth from investors and made Kuhn, Loeb, and Co. a very successful brokerage firm, second only to that of J. P. Morgan. Schiff's access to wealth and his financial acumen were the springboards from which Kuhn, Loeb, and Co. moved into the railroad business.

Mature Wealth

In 1870, Schiff invested between $6 and $8 billion of German money and bought bonds in the Northern Pacific Railway in order to stabilize the rail line, which began his firm's involvement in the railroad industry. In 1885, after Solomon Loeb's retirement, Schiff became head of Kuhn, Loeb and Co. His aggressive style and excellent intuition led the company to have fewer failed business ventures than any American investment firm.

Schiff's greatest interest was the railroads, and he used his influence with domestic and foreign financiers to build and purchase American rail lines. A lifelong friendship and partnership with Ernest Cassel, who shared Schiff's belief in the future of railroads being tied to the country's prosperity, led to Schiff's period of greatest financial successes. In 1896, the Union Pacific Railroad sought Schiff's help to avoid receivership. The Northern Pacific Railway, which first turned to Morgan and was rebuffed, approached Kuhn, Loeb, and Co. in order to avoid bankruptcy. These two actions catapulted Schiff into competition with Morgan, making Schiff the second most important man in the American railroad industry. During the next few years, Schiff and Morgan kept vying for control of the railroads. Each bought various lines, determined to reorganize them and make them part of their railroad empires. Schiff partnered with previous rival James J. Hill, head of the Great Northern Railway, and the two struggled with Morgan for control of the Great Northern Railway and Northern Pacific Railway. Morgan won when he combined the railroads into a mutually beneficial alliance.

Meanwhile, Schiff turned his focus away from Hill, who he felt had allied with Morgan against him, and began focusing on the Union Pacific Railroad. Schiff's plans for reorganization, however, were blocked by Edward H. Harriman. A compromise was reached when Schiff placed Harriman on the board of directors. From this confrontation grew a long friendship and business relationship. In 1897, Schiff purchased the Union Pacific for $81 million. Ultimately, Harriman controlled the Union Pacific and the Southern Pacific, earning millions of dollars for both Harriman and Schiff.

In 1901, the groups of rivals, all determined to control the railroads, caused the Panic of 1901. Hill, backed by Morgan, and Harriman, supported by Schiff, were both trying to buy the Chicago, Burlington & Quincy Railroad in order to gain control of the rail lines west of the Mississippi. Schiff planned to buy the Northern Pacific Railway secretly, beginning a stock purchase war between the two rival factions. This caused a disaster on Wall Street. Schiff, hoping to protect the average investor from ruin, negotiated a truce that ended the panic and restored a normal value to Northern Pacific's stock of $150 per share, down from the panic price of $1,000. He refused to allow his company to make any money on the stock's speculation and implored Morgan to compromise on ownership and directorship of the Chicago, Burlington, & Quincy. This plan was successful, and although Morgan and Hill retained ownership of this rail line, a board made up of Morgan and Schiff's representatives ran the company. However, the panic raised fears in President Theodore Roosevelt that businesses could control too much money, and he began a long court case to divest control of the railroads. Schiff, who believed in the free market, tried to persuade Roosevelt to leave the railroads alone and to trust in the directors to make the best decisions. Roosevelt disagreed and began drawing up antitrust legislation.

Jacob Schiff. (AFP/Getty Images)

Montefiore Medical Center

Although involved with many charities, Jacob Schiff felt closest to the Montefiore Medical Center. For thirty-five years he spent every Sunday visiting patients there, and he went to the hospital a few days before he died. He attended almost every board meeting and called the facility his "labor of love."

Adolphus S. Solomons, cofounder of the American Red Cross, suggested that Schiff become involved in the facility as a way to serve the medical needs of poor New Yorkers and to honor Moses Montefiore, a great nineteenth century Jewish philanthropist, on the occasion of his hundredth birthday. Schiff and other members of New York's Jewish community undertook to endow the Montefiore Home for Chronic Invalids, which opened on October 26, 1884. Schiff initially was the home's treasurer, and he became president in 1885, serving in this position until his death in 1920. The original facility, housing about thirty patients, was dedicated to providing care to poor patients who could not stay indefinitely in hospitals or be easily cared for at home. In 1888, the facility moved to a larger 140-bed hospital in Harlem, and in 1912 it relocated to a 600-bed hospital in the Bronx, where it continued to operate into the twenty-first century. A sister facility in Westchester, New York, treats tuberculosis patients.

Under Schiff's direction and with a quarter of the funding donated by him, the hospital built a second wing, called the pavilion, aimed at providing care for middle-class patients. Schiff felt that working, middle-class people often had as difficult a time as poor people in caring for invalids and that Montefiore should provide assistance to a wider range of patients. He also maintained that although the hospital was established by Jews for the poor members of their community, patients of all religions should be admitted as soon as a bed was available. He vigorously and successfully fought a proposal that would have based patients' admittance on their social contacts or financial status.

Throughout its history, Montefiore Medical Center has been an innovator in providing medical care and maintaining social justice. In 1903, it was the first hospital to have a full-time laboratory staffed with a chemist and a pathologist. It was the first clinic to conduct tuberculin testing, use insulin therapy, and employ radioisotopes in cancer treatment. It created the first social medicine department and has always retained a philosopher and a lawyer specializing in ethics on its staff. The hospital began hiring women in 1914, began paying salaries to full-time medical staff in the 1920's, and employed its first African American doctors in the 1930's.

In the 1900's Schiff turned away from the railroad industry, except for funding a Mexican railroad, and he began investing in many other endeavors, including Westinghouse Electric, Wells Fargo Bank, American Beet Sugar, Western Union, National City Bank of New York, and Equitable Life Assurance.

During 1904 and 1905, Schiff supplied Japan with $200 million for its war against Russia. A longtime anticzarist, Schiff had never allowed his business or personal funds to finance Russian endeavors. When the Russo-Japanese War began, Schiff realized that Japan could not compete with Russia, whose anti-Semitic policies he abhorred. For his contribution, Japan awarded Schiff the Order of the Sacred Treasure in 1905 and the Order of the Rising Sun in 1907. Schiff was so respected by the Japanese that he was given these awards personally by the emperor.

Schiff also was involved in American policies that affected Jews. He worked hard to counter anti-Semitism and other human rights violations. He often wrote to politicians and spoke at hearings on issues concerning immigration, international passport law, and discrimination.

Schiff died on September 25, 1920, after a short, but not debilitating, illness. He remained head of Kuhn, Loeb, and Co. until his death and was succeeded by his son, Mortimer Schiff.

Legacy

Schiff, a great philanthropist, supported institutions that mirrored his democratic and religious values, donating at least 10 percent of his personal fortune during his lifetime and leaving more money as bequests after his death. He donated generously to Jewish organizations. He was a founder and benefactor of the Henry Street Settlement, Jewish Theological Seminary, Hebrew Union College, United Hebrew Charities, and 92nd Street Young Men's Hebrew Association (YMHA). To help counter rising anti-Semitism, he founded Harvard University's Semitic Museum and the department of Semitic literature at the New York Public Library. A major supporter of Columbia University until it refused to appoint Jews to its board of directors, he shifted that support to Cornell University and Barnard College. Although not a Zionist, he funded farming and education initiatives in Palestine. He also gave support to sectarian and Christian organizations, such as the Knights of Columbus. His friendship with Booker T. Washington resulted in large donations to Tuskegee University. New York City received a great deal of his generosity, and he funded the Bronx Zoo, built parks, supported museums, and created funds for the underprivileged.

—*Leslie Neilan*

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See also: George F. Baker; Daniel Drew; Jay Gould; Edward H. Harriman; James J. Hill; Moses Montefiore; J. P. Morgan; George Peabody; Nathan Mayer Rothschild; James Stillman.

Charles M. Schwab

American steel magnate

Schwab's rise to wealth and power in the steel industry was a testimony to the unlimited opportunities available during the Gilded Age to anyone with the right combination of luck, drive, and circumstance. Under his leadership, Bethlehem Steel became one of the largest steelmakers in the United States.

Born: February 18, 1862; Williamsburg, Pennsylvania
Died: September 18, 1939; New York, New York
Also known as: Charles Michael Schwab
Sources of wealth: Steel; investments
Bequeathal of wealth: Dissipated

Early Life

Charles Michael Schwab (shwahb) was born on February 18, 1862, in Williamsburg, Pennsylvania, the first of five children born to John Schwab and Pauline Farabaugh Schwab. The family moved to Loretto, Pennsylvania, when John bought the town's livery stable. Charles completed high school there, and that was the end of his formal education. Following his graduation, he went to the larger town of Braddock, where he worked as a grocery clerk. Braddock was also the location of Andrew Carnegie's Edgar Thomson Steel Works. In 1883, Schwab married Emma Eurana Dinkey. The couple had no children.

First Ventures

One of Schwab's grocery customers was Captain William R. Jones, a superintendent of one of Carnegie's steel mills. Jones was impressed with Schwab's unfailing good nature and his ability to get along with all types of people. Mentored by Jones, Schwab went to work at the steel mill. He worked as an engineer's helper while learning the steel business.

Schwab was a quick study, and his rise in the company can be attributed in large part to a management style that enabled him to earn the support and respect of both labor and management. Before he was named manager, the mill's workers had unionized and gone on strike; the manager who preceded Schwab broke the union. Schwab had a less contentious relationship with his employees, who remained loyal to him even though their wages were below the industry average.

Mature Wealth

Schwab's increasing power in the steel industry was a result of the continued trust that Carnegie placed in him. As

Carnegie became more critical of his top management team, Schwab emerged as the only person in the inner circle whom Carnegie continued to hold in high esteem. As a result, Schwab acquired more influence in the business, which in turn led to an increased salary. Schwab and his wife lived a life most could only imagine. At the height of his success he built a four-story mansion on the corner of Riverside Drive and Seventy-second Street in New York City that contained ninety bedrooms, a sixty-foot swimming pool, and a bowling alley.

When the time came for Carnegie's retirement, Schwab was able to broker the deal between Carnegie and financier J. P. Morgan to liquidate Bethlehem Steel. Schwab agreed to head the new company, United States Steel Corporation. During his tenure at this company, Schwab oversaw the development of steel girders, a product in great demand for constructing skyscrapers. These beams, along with government contracts to produce needed products during World War I, ensured the success of U.S. Steel.

Schwab's wealth was once thought to be more than $200 million, but some of his investments were unsuccessful, and the Great Depression further eroded his fortune. On September 18, 1939, he died of coronary thrombosis in New York City, less than a year after the death of his beloved wife Emma.


Charles M. Schwab. (©Bettmann/CORBIS)

Legacy

Charles M. Schwab was one of the leaders of America's emerging steel industry. Under his direction, Bethlehem Steel became a major world steel manufacturer. Before his money was dissipated in the Depression, he gave generously to charity. Among those benefiting from his largesse were the Catholic church in Braddock, Pennsylvania State College, St. Francis College, and various other schools, convents, and monasteries.

—*Norma Lewis*

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See also: Andrew Carnegie; Henry Clay Frick; Alfred Krupp; Bertha Krupp; Andrew Mellon; J. P. Morgan; Henry Phipps; Joséphine de Wendel.

Charles R. Schwab

American financial services executive

Schwab was a leader in the discount brokerage business, making it easier and less costly for investors to purchase and sell securities. He has used his wealth to establish the Charles and Helen Schwab Foundation.

Born: July 29, 1937; Sacramento, California
Also known as: Charles Robert Schwab, Jr.
Sources of wealth: Financial services; investments
Bequeathal of wealth: Spouse; children; educational institution; charity

Early Life

Charles Robert Schwab (shwahb), Jr., was born in Sacramento, California, the son of a district attorney. He grew up in an upper-middle-class environment and showed signs of entrepreneurship early on. When he was a child he raised chickens and sold them to the neighbors. He soon discovered he had a natural talent for selling everything from magazine subscriptions to the walnuts he plucked from the backyard trees. It was a talent that would serve him well.

Schwab attended Stanford University, earning a bachelor's degree in economics in 1959 and an M.B.A. in 1961. He married twice and had five children, three with his first wife, whom he later divorced, and two with his second wife, Helen.

In May, 1975, his firm became a discount brokerage, buying and selling securities for its clients at lower rates than those charged by a traditional, full-service broker. In this work, Schwab found his true calling, and his luck changed dramatically when he realized that not all investors required in-depth help in selecting their stocks. Many clients were already choosing their investments and their brokers earned large fees for simply executing their clients' decisions. He was among the first to see the potential of this untapped business and his firm has consistently held the majority of the discount brokerage market.

Although Schwab kept his firm's San Francisco headquarters, everything else about his company changed. Schwab transformed himself from just another staid stockbroker among many to "Chuck," a familiar presence who wanted his clients to make the most of their investments by using their own initiative, thereby avoiding the large fees charged by full-service companies. However, his company's earnings were erratic during its early years, in part because traditional companies attempted to discredit discount investing. Schwab published a book, *How to Be Your Own Stockbroker*, in 1984 that was designed to take some of the mystique away from stock trading. His book elevated both his credibility and his public persona.

First Ventures

Schwab was by no means an overnight success. In the early years of his career he endured a string of failures, including his ventures in a music festival and a theme park, Congoland, USA. In 1971, he established First Commander Corp., at that time a traditional stockbrokerage; two years later, the firm changed its name to Charles Schwab & Co., Inc. Schwab found the business more competitive than he had expected it to be, and he was able to achieve only moderate success. However, the deregulation of the financial industry ultimately enabled him to alter the operations of his business and made it possible for Schwab to become an industry legend.

Charles R. Schwab. (©Bettmann/CORBIS)

Mature Wealth

Schwab weathered criticism of his company and became a trusted businessman. His account base grew exponentially as he made it less difficult and less expensive for the average person to invest in the stock market. Advanced technology allowed clients to place orders twenty-four hours a day. The firm opened as many as half a million accounts a year and soon expanded into the European and Japanese markets. Schwab's instinct was right—not everyone required or wanted a full-service stockbroker.

Schwab sold his firm to the Bank of America in 1981, but this turned out to be a bad decision. The firm's stock plummeted. Worse, he disagreed with the new owner's vision of the company's future direction. He was able to buy back his company six years later in a leveraged buyout. Although it cost him $230 million to regain his firm, he could once again control the company.

Schwab & Co.'s foray into the burgeoning mutual fund market contributed substantially to both the firm's growth and the accumulation of Schwab's personal fortune. His firm created Schwab & Co.'s Mutual Fund Marketplace in order to market these funds to investors. Schwab's company soon ranked third in mutual fund sales, with only Fidelity Investments and Vanguard companies outperforming it. By the late 1990's, Schwab's personal wealth was estimated at more than $1.5 billion. His company was the largest discount brokerage firm, and his client asset accounts were valued at $1 trillion. His personal involvement in the company kept it on track in an industry that in the preceding years had often been tainted by scandal and greed.

When he was forty years old, Schwab learned that he was dyslexic. He sometimes credits his dyslexia with his business success, claiming that this disability forced him to learn things in a different from the way others learned and to come up with creative solutions when traditional study methods did not work for him.

Schwab enjoyed the privileges of wealth, engaging in philanthropy, as well as indulging his personal interests. He has amassed an art collection of museum-quality pieces for his home and donated money to art museums. He derived pleasure from the artistic and cultural opportunities in the San Francisco area, where he has long made his home and where his contributions are valued.

Another of his passions, golf, began when he played on his high school team with future professional golfer Al Geiberger. Later, Schwab's nine-handicap made him a competitive player at various tournaments, including the AT&T Pebble Beach National Pro-Am tournament near Carmel, California. Schwab's company also hosts golf tournaments and in 2009 signed a contract to establish the Schwab Cup on the Professional Golfers' Association of America's PGA Senior Tour, a move that will enhance the firm's role as the "official investment firm" of both the PGA Tour and the PGA Senior Tour.

In recognition of Schwab's contributions to the financial industry, President George W. Bush in 2008 appointed him to the President's Council on Financial Literacy.

The Charles and Helen Schwab Foundation

The Charles and Helen Schwab Foundation came into existence in 2001 as a result of the merger of the Schwab Foundation for Learning and the Schwab Family Foundation. With assets worth nearly $650 million, the foundation is a separate entity and is not affiliated with the Charles Schwab Corporate Foundation or Charles Schwab & Co.

The primary focus of this nonprofit organization is on children with learning disabilities, a subject of deep concern for foundation cofounder Charles R. Schwab because both he and his son Michael are dyslexic. Schwab wants to make it easier for others with learning disabilities to function and succeed in society. He was not diagnosed with dyslexia until he was forty years old, and he believes that early diagnosis and remediation are essential elements in helping people with dyslexia cope with their learning disability.

The foundation's board of directors provides grants to recipients, focusing its efforts on kindergarten through twelfth-grade education, human services, and the fine arts. Children and parents of learning-disabled children are nearly always the beneficiaries of these grants.

In addition to his work with the foundation, Schwab is involved with All Kinds of Minds, a nonprofit organization that promotes alternative learning methods and recognizes that some students do not respond to traditional forms of education.

Legacy

As a pioneer in the discount brokerage business, Charles R. Schwab forever changed the way many people invest. "Chuck" became a guest in America's living rooms via television and full-page newspaper advertisements, assuring the average investor that wise financial management is a skill that can be learned and that each individual must be responsible for his or her own investments. He proved by example that financial consultants can be hugely successful and still operate with personal and corporate integrity.

Schwab's legacy also includes his philanthropic activities, such as the Charles and Helen Schwab Foundation and the Charles Schwab Corporate Foundation. The latter is a private, nonprofit organization created by Schwab & Co. that supports charities selected by company employees, and, in the words of the company's Web Site, fosters "financial literacy through funding, involvement and expertise." Schwab's daughter, Carrie Schwab-Pomerantz, is the president of the corporate foundation, continuing her parents' tradition of philanthropy.

—*Norma Lewis*

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See also: Bernard Cornfeld; Carl Icahn; Charles E. Merrill; Michael Milken.

Seng Sae Khu

Thai merchant and investor

Seng gained affluence by collecting taxes and selling silk in Thailand. His wealth financed his family's educations, investments, and aspirations, enabling them to expand his fortune to several billion dollars by the twenty-first century and attain economic and political power.

Born: c. 1840; China
Died: c. 1920; Siam (now Thailand)
Also known as: Khu Chun Seng
Sources of wealth: Trade; government
Bequeathal of wealth: Spouse; children

Early Life

Seng Sae Khu (sihng say kew) was born in China in the mid-nineteenth century. Information regarding his parents, the precise date and place of his birth, and his childhood is vague. Most sources indicate that Seng's family lived in Guangdong Province along the southern China coast and were Hakka Chinese. Sometime during the latter 1860's, Seng traveled to Siam (now Thailand), perhaps with his father or male relatives, probably for employment because Siamese officials sought Chinese laborers for various projects. Some versions of Seng's immigration suggest he was a boy as young as ten when he moved to Siam.

First Ventures

Many Chinese immigrants left Bangkok, Siam, for less populated areas where they pursued trade or other occupations. As an adult, Seng settled in Chanthaburi, approximately 250 kilometers (155 miles) southeast of Bangkok. Histories state that Seng earned income as a tax farmer for the government in the late nineteenth century. Tax farmers accrued wealth by collecting and retaining taxes from Siamese people that exceeded the taxes levied by the government. Most Chinese tax farmers like Seng assisted the Siamese government in collecting local taxes associated with such vices as drinking alcohol, smoking opium, and gambling.

Seng met a woman named Thongdi from Chanthaburi, who became his wife. She gave birth to the couple's six children: Muisian, Chiang, Bieo, Lek, Jansom, and Sengkim. By the beginning of the twentieth century, Seng's tax-collecting endeavors in Chanthaburi had ceased. He relocated his family to a Bangkok neighborhood, Talat Noi, where there were many Chinese merchants. By working as a merchant, Seng accumulated sufficient funds to send his sons to prestigious schools in Bangkok.

Mature Wealth

During 1908, Seng decided to settle in Chiang Mai in northern Siam and resume his work collecting gambling taxes. According to relatives who provided information for Prani Sirithorn Na Phatthalung's book *Phubukboek haeng Chiang Mai* (1980; pioneers of Chiang Mai), a Bangkok official related to Thongdi arranged for Seng to collect all taxes associated with Chiang Mai's gambling operations. Family members told the couple that Chiang Mai was the place where several Chinese entrepreneurs and their children had accrued significant wealth.

Thieves ambushed and killed Thongdi in 1910 while she was helping Seng collect money from gambling businesses. Grieving at his wife's death, Seng purchased a 3-rai (0.4-acre) piece of land in Sankamphaeng, located about 12 kilometers (7.5 miles) east of Chiang Mai and adjacent to a trading area. He invested in a caravan to transport Siamese goods to China and Burma. Seng married a woman named Noja, with whom he had three children: Nang, Bualoi, and Sumet.

With his oldest son, Chiang, Seng expanded his caravan-trading endeavors and purchased silk in Burma. Seng benefited financially by focusing on trading silk, enriching his already ample tax-farming profits. When railroad routes were built, Seng and his descendants increased silk sales to Bangkok markets.

Records do not report Seng's estimated wealth. His family's lifestyle and prestige in Chiang Mai suggest that his financial worth exceeded that of most people in his community.

English-language accounts state that Seng died during the 1920's, probably in northern Siam, but do not provide details.

Legacy

Seng established the foundation for his family's prosperity and influence. After his death, his descendants began using the Thai surname Shinawatra instead of Seng's Chinese name in order to assimilate into Thai society. Seng's family also appropriated the surname Shinawatra as the brand name for the silk business that Seng had established. The family benefited from sales to elite Thai entrepreneurs, leaders, and royalty. Their wealth enabled them to purchase shares in banks in northern provinces and other financial endeavors. Many Thais considered Seng's descendants among Chiang Mai's most outstanding residents. Seng's great-grandson Thaksin Shinawatra was prime minister of Thailand from 2001 through 2006. Other descendants include a mayor of Chiang Mai and members of Thailand's parliament.

—*Elizabeth D. Schafer*

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See also: Dhanin Chearavanont; Thaksin Shinawatra.

William Sevenock
English merchant

As one of the few London merchants who prospered in the prolonged economic downturn of 1404-1430, Sevenock played an important part in civic life and business and helped underwrite Henry V's military campaigns. At his death, he endowed England's first public secular educational institution.

Born: c. 1373; Sevenoaks, Kent, England
Died: 1433; London, England
Also known as: William of Sevenoaks, William Sennock; William Sennoke
Source of wealth: Trade
Bequeathal of wealth: Charity; educational institution

Early Life
William Sevenock (SEH-vehn-ahk) was born around 1373 in or near Sevenoaks, a market town about twenty-one miles southwest of London in the county of Kent. Nothing is known of his parentage. According to tradition he was abandoned as an infant. His decision to take the name of his birthplace as a surname, rather than that of his parents or his guardian, William Rumschedde, could indicate uncertainty about his parentage, but surnames in the fourteenth century were not fixed and London apprentices often adopted the name of their birthplace.

Sevenock was born into a world still reeling from the ravages of the Black Death, which wiped out one-third of the population of southeastern England from 1349 until 1352. On one hand, a man born to humble circumstances in the 1370's faced a bleak future of civil strife and disrupted commerce, as well as bitterly cold winters and agricultural failures as the Little Ice Age strengthened its grip on Europe. On the other hand, a man's prospects for success, should he survive, were better than they had been a century earlier because the population crash created a demand for skilled labor and a lack of heirs at all levels, from skilled craftsmen to nobility, opening up opportunities for people without any hereditary connection.

Sevenock's guardian, a small landowner, probably provided him with a basic education and paid a premium to apprentice him to a London ironmonger. Apprentices to London trades were expected to be able to read and write in English and perform simple arithmetic. Although tradesmen might loan a prospective apprentice the premium money, paying it back would prove a barrier to apprentices wishing to establish a business, but Sevenock's early success is an indication that he had no such impediment.

In London in the 1390's, the ironmongers were a loose association of retail merchants, some of whom also engaged in manufacturing. By contrast, the mercers (cloth merchants) were tightly organized into a company with a royal charter and an effective monopoly on the import and export of cloth. The grocers occupied an intermediate position, lacking a company charter but having a formal organization and political clout. Significantly, when Sevenock was admitted as a freeman of the city of London in 1394, it was as a grocer rather than an ironmonger.

First Ventures
In the Middle Ages, the term "grocer" referred to a wholesaler who traded in items that were sold by weight, rather than by the piece or by volume. The grocers of London paid for exclusive access to the beam balance that served as a standard for calibrating weights throughout the kingdom, and they held an effective monopoly on the import of high-value items for which accurate weighing was critical. The grocers' biggest stock in trade were spices, a particularly lucrative business in the Middle Ages. They also dealt in drugs, dyes, and dried fruit. They were not heavily involved in the export trade or in the movement of produce and grain from outlying areas into the city of London.

Sevenock paid a premium of £10 to enroll in the Grocers' Company in 1497, an act that would have required him to have enough capital to rent warehouse space and purchase a sufficient stock of "groceries" to supply city retailers and merchants traveling to country fairs. His affairs evidently prospered rapidly, for in 1401 he was able to advance £100 to a fellow grocer on credit, and in 1404 he was listed as the owner of a ship that attacked Prussian ships between England and Zeeland.

Mature Wealth
The rapid growth of imports to England between 1390 and 1404, which formed the basis of Sevenock's early commercial success, rested on an uncertain foundation. In order to expand, merchants needed to borrow money, shipping gold and silver coin to the Continent. The value of goods exported did not compensate them for their loans, and an unfavorable trade balance resulted. Laws against loaning money at interest failed to prevent speculative investment in mercantile ventures. People with

MEDIEVAL PHILANTHROPY

Large donations to charitable causes, both during the lifetime of the donor and as part of a bequest after death, were common in medieval times. However, the motivation behind this charity was strongly influenced by the doctrines and practices of the Roman Catholic Church and only indirectly stemmed from either *philanthropos*—the love of humanity—or a desire to enhance the social status of heirs. Philanthropy directed toward social reform was singularly absent from the late medieval world, both in theory and in practice.

Thomas Aquinas outlined seven good works of charity: to clothe, give water, feed and shelter the needy, release people from prison, nurse the sick, and bury the dead. He considered these acts of charity to be acts of friendship to God. At the same time, Catholic theology held that prayers for the dead eased the deceased's passage through Purgatory, irrespective of the person's virtue when living. Consequently, most bequests endowing hospitals, almshouses, and educational institutions contained a provision requiring that the individuals supported by the endowment pray for the soul of the departed. Most charitable institutions were attached to monasteries. In the case of an educational institution, the teachers were monks or priests, and poor boys admitted without payment of fees were required to join the monastic order. A common type of endowed institution was the chantry, which provided support exclusively for saying masses for the dead. Larger bequests supported multiple clerics and erected chapels.

Agricultural land was the main source of personal wealth in medieval England. Possession of such land, derived from a royal grant, was inalienable, except by royal decree, and a man could not sell land or give it to charity but could only transfer it to his lawful heirs. Between 1307 and 1485, the Crown granted 446 licenses to landowners to transfer property to the Church.

capital contrived to disguise interest as fees or phantom leases. In 1404, the entire edifice of overextended credit came tumbling down, leading to multiple bankruptcies and a general contraction of the grocers' and other workers' trades. The fundamental problem, an absolute shortage of gold and silver coin, could not be remedied except by increasing exports. This economic slump persisted until about 1430.

That Sevenock was one of the few London grocers who continued to prosper suggests that he never became heavily involved in either borrowing or lending, and that as a lender he demanded security rather than contriving to collect fees for the use of money or becoming a partner in a speculative enterprise. His estate at his death included a wharf and numerous commercial buildings, some purchased directly with the proceeds of trade and some most probably acquired as a security interest when a borrower was unable to repay a business loan.

Sevenock's continued commercial success provided him an avenue into London civic life. He became a warden of the Grocers' Company in 1404, an alderman in 1411, sheriff in 1412, a member of the London Commons in 1417, and lord mayor in 1418. All of these positions required that the incumbent expend substantial sums underwriting civic ceremonies. They also entitled a man to a degree of personal opulence in dress and entertainment but required that this luxury be shared in a very public manner with the citizens of London. Because of the expense, the city had difficulty filling these positions during the economic slump, and a law was passed in 1416 against conspiring to avoid service as sheriff or lord mayor. In the second, more impoverished decade of the fifteenth century, only four men from the Grocers' Company rose to the rank of alderman, with three of them, including Sevenock, not originally grocers.

The years 1390-1420 were marked by the rise of Lollardism, an anticlerical, theological reform movement espoused by the followers of John Wyclif. Lollardism, in some ways a forerunner of Protestantism, had sympathizers among the London mercantile community. The only connection to Sevenock seems to be a confrontation in 1415 with Thomas Maynald, a grocer of possible Lollard sympathies, who insolently suggested that Sevenock, as alderman of his ward, ought to be hanged if he did not conduct himself well and honestly. When Maynald was imprisoned for his outburst, Sevenock paid his bail and stood surety for him.

Sevenock contributed £100 to King Henry V's second expedition to Flanders in 1417; this was a secured loan, not a gift. In contrast to his wealthier contemporary, the mercer Richard "Dick" Whittington, Sevenock was not heavily involved in government finance. When the Grocers' Company received a royal charter and began building a hall in 1427, he contributed £40 to the effort.

LEGACY

Sevenock's only enduring legacy is the Sevenoaks Grammar School in his native village in Kent. Still operating in the twenty-first century as a prestigious public school, it is the oldest secular secondary school in Great

Britain and one of the oldest in the world. Sevenoaks, England, also is home to a row of almshouses, a form of public housing for the poor. Originally built in 1418, these houses had a perpetual endowment providing 10 shillings a year to twenty poor men and women. The present almshouses, built from proceeds of the sale of Sevenock's London property, date from the 1700's.

The terms of Sevenock's 1432 will bequeathed all of his lands, buildings, and appurtenances to the village of Sevenoaks. The will also directed the vicar and churchwardens of the town to use the income generated by those properties to maintain "One Master, an honest man, sufficiently advanced and expert in the science of grammar, by no means in holy orders, to keep a Grammar school in some convenient house . . . to teach and instruct all poor boys whatsoever coming there for the sake of learning, taking nothing from them or their parents for the teaching of them."

What little evidence there is of Sevenock's personal life suggests he was austere and pious, even in comparison with contemporaries. There is no evidence of his having been married or of having had children. His bequest of the majority of his estate to the poor people of his native community, rather than to the Church, indicates an understanding of Christian charity similar to the Franciscans and represents a radical outlook for his time. Obtaining a basic education was a prerequisite to entry into the mercantile community, and Sevenock was perhaps the first person to realize that providing children of the poor with this essential tool for bettering themselves, without obligating them to a career in the Church, was a truly charitable act.

—*Martha A. Sherwood*

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See also: Sir John Fastolf; John Hawkwood; John of Gaunt.

Shah Jahan
Mughal emperor

Shah Jahan's rule was the golden age of the Mughal Empire. His passion for grandeur, as evident in the construction of massive architectural marvels, including the Taj Mahal, and his Peacock Throne, made of precious stones, metals, and jewels, elicited the admiration of numerous travelers and traders.

Born: January 5, 1592; Lahore, India (now in Pakistan)
Died: January 22, 1666; Āgra, India
Also known as: Khurram (birth name); Shahjahan
Source of wealth: Government
Bequeathal of wealth: Children

Early Life
Shah Jahan (shah jah-HAHN) was born in Lahore on January 5, 1592. He was the third son of Emperor Jahāngīr, who ruled the Mughal Empire from 1605 to 1627, and the Hindu Prajput queen Jagat Gosain (or Princess Manmati). Jahan's birth name was Khurram. In his youth, he appears to have received an education that enabled him to grow up as a man of culture and artistic taste. He was betrothed by his father on April 5, 1607, to Arjumand Banu Begam, daughter of Asaf Khan. The couple married in Āgra on May 10, 1612, and Shah Jahan named his wife Mumtaz Mahal, which means "exquisite one of the palace." During his father's reign, Shah Jahan distinguished himself in numerous battles, including those in Mewar in 1615, the Deccan in 1617 and 1622, and in Kangra in 1618.

First Ventures
Even as a young man, Shah Jahan demonstrated his passion for architecture. At sixteen, he had built impressive quarters inside Emperor Bābur's Kabul fort and redesigned the quarters inside the Āgra fort. Shah Jahan also built the Shahibaug locality in the city of Ahmedabad and constructed buildings on a hill in Udaipur in 1613. He began construction of the Shalimar Garden in Kashmir at the behest of his father in 1620 and completed it in 1634. Early in his career, Jahan also built a fine hunting resort on an artificial lake near Burhanpur.

Shah Jahan ascended the throne on February 14, 1628, at Āgra. By this time, he had constructed his father's tomb in Lahore and a mosque at the shrine in Ajmir, and he planned to build public audience halls. He would subsequently embark on a phenomenal building spree, constructing palaces, fortresses, canals, and gardens throughout his realm, as well as the arcades of his favorite city, Shahjahanabad, and his dream mausoleum, the Taj Mahal (crown of the palace), described as a "teardrop upon the cheek of time." Remarkably, all of these structures were financed without straining his treasuries.

Mature Wealth
Shah Jahan's court historian, Abdul Hamid Lahori, provides a detailed account of the emperor's opulence. The Mughal Empire, stretching from Sind in the northwest to Syllet in the northeast and from Balkh (now Afghanistan) in the north to the Deccan in the south, was divided into twenty-two provinces containing nearly 4,350 administrative units, or *parganas*. Of these, the larger *parganas* of Āgra and Lahore alone generated revenues amounting to more than 1 million rupees annually. Even though Emperor Jahāngīr had liquidated the vast re-

Shah Jahan. (The Granger Collection, New York)

After the death of his wife, Mumtaz Mahal, Shah Jahan built the Taj Mahal, a mausoleum enshrining her tomb. (The Granger Collection, New York)

serves he inherited, by 1647, Shah Jahan succeeded in earning revenues amounting to 220 million rupees, as compared with his grandfather's assessed revenue of 100 million rupees in 1595-1596.

Shah Jahan's wealth was also derived from military victories and conquests accompanied by plunder from the treasuries of the defeated kings. After his conquests in central India and the Deccan in 1635-1637, Shah Jahan is reported to have boasted of his financial gains in a letter to the Persian king. With expansion came larger tax and tribute revenues levied on additional populations. However, the growth of the Mughal Empire's revenue was primarily the result of increased agricultural cultivation and production in the imperial provinces. The Mughal peasantry augmented agricultural production by developing improved methods of farming, including clearing new lands; adopting new crops, such as the New World plants of tobacco and maize; and growing cash crops, such as cotton, poppy, and sugarcane.

The Mughal government earned additional revenue from the empire's burgeoning export economy. Indian spices and dyestuff commanded a world market. Throughout the seventeenth and eighteenth centuries, the Golconda diamonds were highly valued for their clarity and purity. Hand-spun and handwoven cotton and silk cloth fetched enormous earnings from the markets of the Persian Gulf, East Africa, and Southeast Asia. By 1500, the Portuguese operated a monopoly trade in pepper and

The Taj Mahal

The most notable architectural achievement of Shah Jahan's reign is the Taj Mahal, the mausoleum enshrining the tomb of his beloved wife, Mumtaz Mahal, who died on May 26, 1631, at Burhanpur in central India. The site of the Taj Mahal is a luxuriant parcel of high ground in the southern part of the city of Āgra, known as Akbarabad at the time the structure was built. The site was originally the property of Raja Man Singh of Ambar and had been inherited by his grandson Raja Jai Singh. Raja Jai Singh offered the property to Shah Jahan and also contributed stonemasons, marble from the quarry of Makrana, and carts for transporting the stones to Āgra in exchange for a splendid palace in Āgra.

Construction of the mausoleum began in 1632. According to contemporary sources, numerous artists worked on the Taj Mahal, including Makramat Khan and ʿAbd al-Karim Maʿmur Khan, who supervised the project, and, most important, Ustad Ahmad Lahori, the principal designer of Mumtaz's tomb. The Taj Mahal was completed on February 6, 1643, the twelfth anniversary of Mumtaz's death. The mausoleum was erected in the course of twelve years at a cost of 50 million rupees. Its gardens were surrounded by squares, inns, and markets. To maintain the main edifice and the surrounding structures and gardens, an endowment of 100,000 rupees was established, representing the annual revenues of thirty hamlets in the *pargana* of Akbarabad.

The Taj Mahal was conceived as the earthly replica of the paradisiacal house of Islam. The exterior of the mausoleum is white marble inlaid with colored stones. Rectangular panels with black calligraphy, created by the Persian calligrapher Amanat Khan, render verses from the Qurʾān that are inlaid into the tomb's white surface. The octagonal central chamber is an inlaid marble cenotaph marking the placement of Mumtaz's interred body in the crypt below. Shah Jahan's cenotaph, similarly decorated, is built to the west of the queen's. A latticed marble screen surrounds both royal cenotaphs. Qurʾānic passages promising rewards to believers and eternal doom to the *kafirs* (nonbelievers) on the Day of Judgment are inscribed on the tomb complex.

The designers of this magnificent tomb were highly educated in mathematics, engineering, astrology, literature, and theology, and thus were well qualified to create a structure symbolizing the ultimate vision of paradise on earth. The celebrated verse by the thirteenth century Sufi poet Amir Khusrau (1253-1325), which adorns the walls of Diwani-i-Khass at the Red Fort in Delhi, is eminently appropriate for the magnificent Taj Mahal: "If there be paradise on earth anywhere, it's here, it's here, it's here." In 1983, the Taj Mahal was designated a United Nations Educational, Scientific, and Cultural Organization (UNESCO) World Heritage Site.

precious stones between India and Europe. A century later, the British, Dutch, and French East India Companies further expanded this connection. By the end of the seventeenth century, these companies sold millions of yards of Indian cloth. European traders had to pay for this imported merchandise in gold or silver coin. By the 1600's, more than thirty tons of silver and one-half ton of gold were brought by the Western traders to India. Foreign coins were melted and converted into Mughal silver rupees and gold *mohurs* for a fee charged by the imperial mints. Thus, in addition to land revenue, customs duties and mint fees added to the imperial profits.

Shah Jahan's revenue system was based on his grandfather's. Taxes were assessed according to the recorded crop yields and their prices and were collected in fixed annual installments of imperial copper (*dam*) and silver coins (rupees) by salaried revenue officials who came from the ranks of *amirs* or *mansabdars*. This requirement of monetary payment generated a spiraling agrarian market that fed the growing towns and cities of the empire. Taxes from imperial crown lands, containing some of the most productive tracts in the empire, were collected directly by imperial officials or *jagirdars* (assignment holders) and deposited into the provincial treasuries at the disposal of the emperor.

Throughout his reign, Shah Jahan constructed and renovated forts. He remodeled forts in Gwalior, Āgra, Lahore, Kabul, and Kandahar, often adding new structures, such as courts, mosques, towers, and gardens. Almost everywhere in his empire, new structures were built of marble rather than sandstone, as was the practice of his predecessors, Emperors Akbar and Jahāngīr. Shah Jahan's many splendid structures include the Moti Masjid (Pearl Mosque). He also constructed a new capital city of Shahjahanabad, where he built the Jama Masjid (public mosque), the imperial palace, and the magnificent sandstone Lal Qila (Red Fort) that housed the Diwani-i-Amm (public audience hall), Diwani-i-Khass (private audience hall), and the Takht-e-Taous (Peacock Throne), consisting entirely of precious stones, metals, and jewels. However, he is best known as the emperor who commissioned the building of the Taj Mahal, a mausoleum at Āgra dedicated to the memory of his beloved queen.

Shah Jahan was a connoisseur of jewelry, and under his patronage jewelry making reached a high degree of perfection. Jewelers from Asia and Europe visited the Mughal court to sell their crafts and gems. Shah Jahan's famous Koh-i-Noor diamond weighed 787.5 carats. The diamond, discovered in the Kollur Mine in Golconda in 1650, was originally cut, albeit unsatisfactorily, by a Venetian lapidary named Ortensio Borgio. Later, the diamond, as well as the Peacock Throne, became the property of the Persian king Nādir Shāh, who carried them off to Isfahan in 1739. After Nādir Shā's assassination in 1747, the Koh-i-Noor diamond disappeared and the Peacock Throne, reportedly, was broken up into ten thousand pieces of precious stones and jewels and scattered all over the world.

Shah Jahan's reign, celebrated in history as the golden age of Mughal India, ended in personal tragedy for the emperor, as well as in the political and economic decline of his empire. He fell ill in 1657, and his four surviving sons took advantage of his infirmity, making a bid for the throne in the absence of any system of inheritance by primogeniture. The ablest son, Aurangzeb, emerged victorious. He deposed his father in 1658 and sent him to confinement at the Āgra fort, where Shah Jahan died in 1666 and was interred, along with his favorite wife, inside the Taj Mahal.

Legacy

Shah Jahan, arguably the most admired and remembered Mughal emperor, left behind him a vibrant and cosmopolitan artistic tradition and a rich country with magnificent structures, of which the Taj Mahal stands as the best-known legacy of his reign. The emperor also acquired posthumous fame for his fabulous romantic love, as demonstrated by the Taj Mahal's commemoration of beloved wife, Mumtaz Mahal. A crater on the planet 433 Eros has been named Shah Jahan in accordance with astronomers' convention of naming craters on this asteroid after romantic lovers, real or fictional.

—*Narasingha P. Sil*

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See also: Aurangzeb; Fateh Chand; Abdul Ghafur; Virji Vora; Shantidas Zaveri.

THAKSIN SHINAWATRA

Thai merchant, investor, and politician

Shinawatra used his family connections and wealth to secure government licenses and invest in telecommunications technologies, resulting in the formation of one of the largest conglomerates in Thailand. He later became the nation's prime minister, but he was ousted in a coup and accused of using corrupt and manipulative methods to attain his fortune.

Born: July 26, 1949; San Kamphaeng, Chiang Mai Province, Thailand
Also known as: Thaksin Chinnawat
Sources of wealth: Computer industry; telecommunications; investments
Bequeathal of wealth: Spouse; children; educational institution

EARLY LIFE

Thaksin Shinawatra (TAHK-sihn shihn-ah-WAHT) was born on July 26, 1949, in San Kamphaeng in northern Thailand's Chiang Mai Province. His father Bunloet Sae Khu, later known as Loet Shinawatra, and his mother Yindi Ramingwong were descended from Chinese immigrants. The Shinawatra family attained notable financial resources from their silk business, which was established by Shinawatra's great-grandfather Seng Sae Khu. Shinawatra's father served as a member of the Thai parliament.

After graduating from Thailand's police cadet academy, Shinawatra pursued a law enforcement career. In the 1970's, he lived in the United States while attending graduate school at Eastern Kentucky University. Shinawatra received a master's of science degree in criminal justice in 1974, writing a thesis examining police training. He later resided in Huntsville, Texas, where he completed a Ph.D. in criminal justice at Sam Houston State University in 1979.

FIRST VENTURES

Shinawatra returned to Thailand, earning a living as a policeman with the Royal Thai Police Department. Shinawatra married Pojaman Damaphong, and the couple later had three children: a son, Panthongthae, and daughters Phinthongtha and Phaethongthan. After his marriage, Shinawatra benefited financially from the business contracts he secured through his father-in-law, Samoe Damaphong, a police general whose department purchased computer equipment from Shinawatra.

Shinawatra's entrepreneurial endeavors needed government approval from officials who would grant him licenses. He appealed to these political leaders, mostly military men, by offering such incentives as expensive cars or promising them impressive positions at his businesses. He founded the Shinawatra Computer Corporation in 1983; this firm would later be renamed the Shin Corporation and would become one of the largest conglomerates in Thailand.

In 1985, Shinawatra established a cable television network, and the next year he launched a pager business. Shinawatra resigned from his police position in 1987 and secured additional licenses. He excelled at generating wealth from advances in telecommunications technology, such as mobile phones, as they became available in Thailand during the late 1980's. The 1991 military coup in Thailand enabled Shinawatra to attain the rights associated with Thailand's first satellite from junta leader General Sunthon Kongsompong.

Thaksin Shinawatra. (AP/Wide World Photos)

Mature Wealth

After Sunthon's junta lost power in 1992, military leaders no longer controlled licensing for telecommunications, threatening Shinawatra's investments. Shinawatra decided to become a politician so he could influence government policies. By 1994, Shinawatra represented the Palang Dharma Party in the Thai cabinet because that party had power regarding the decisions of the Ministry of Transport and Communications. The next year, he was elected a member of Thailand's parliament. By that time, Shinawatra had accrued a personal fortune ranging from 60 to 80 billion baht (with an exchange rate of 40 baht per dollar).

From 1995 through 1997, Shinawatra was deputy prime minister in the administrations of Prime Ministers Banharn Silpa-archa and Chavalit Yongchaiyudh. After one of Shinawatra's competitors, the Charoen Pokphand Group, received a profitable mobile telephone contract, Shinawatra decided to seek greater political power. After surviving the 1997 economic crisis, he created the Thai Rak Thai political party the next year.

Shinawatra invested his wealth in more digital technologies, ensuring Shin Corporation's telecommunications dominance. Shinawatra's critics suggested that he had acted illegally by using his political influence to increase the corporation's profits. In December, 2000, the National Counter Corruption Commission accused Shinawatra of concealing wealth he had earned in order to avoid taxation. Popular with rural populations, Shinawatra won Thailand's election for prime minister in January, 2001. At that time, he was the wealthiest person in Thailand.

Critics continued to publicize allegations that Shinawatra had hidden profits. Many middle-class and wealthy Thais disliked Shinawatra's authoritarian behavior, and they pressured for his removal from office. In June, 2001, *Forbes* magazine included Shinawatra on its list of the world's wealthiest people, valuing his assets at $1.2 billion. By 2004, the wealth of Shinawatra's family expanded by an estimated 76 percent, and that same year he told the Export-Import Bank of Thailand to loan Burma 4 billion baht (24 baht per dollar) to purchase satellite technology from his company.

Shinawatra won reelection in 2005. He sold the 49.6 percent share he and his family owned in the Shin Corporation to Singapore's Temsaek Holdings for $2 billion in January, 2006. Because Shinawatra's income from this foreign transaction was not taxed, many Thais protested, demanding he resign as prime minister. Shinawatra met with Thailand's King Bhumibol Adulyadej to discuss his leadership. In July, 2006, *Forbes Global* ranked Shinawatra and his family as the fourth-wealthiest family in Thailand, stating they were worth $2.2 billion.

On September 19, 2006, General Sonthi Boonyaratglin led a military coup and established martial law. He stressed that Shinawatra was corrupt and should be prosecuted for hiding money, often unlawfully acquired, and arranging for his wife to purchase government land along Ratchadapisek Road in northern Bangkok without paying its legal value or taxes.

Shinawatra was in New York City when the coup occurred. He flew from there to London, where he requested that Great Britain provide him political asylum and not extradite him to Thailand. Shinawatra worried that his enemies might confiscate his financial resources. The next summer, *The Nation*, a Bangkok-based newspaper, reported that Thai officials had frozen 65 billion baht (33 baht per dollar) of Shinawatra's wealth; the newspaper also speculated that Shinawatra had hidden more than 200 billion baht in foreign banks.

In 2008, *Forbes* included Shinawatra on its list of wealthy people. At this time, he was enduring legal problems, particularly regarding additional allegations that he had used his office for financial gain. The Asset Examination Committee in Thailand outlined charges against him, including allegations that Shinawatra had obtained monetary benefits associated with the construction of Suvarnabhumi Airport in Bangkok. Aspiring to regain political power, Shinawatra traveled to Thailand in February, 2008. A court sentenced Shinawatra's wife to three years in prison for evading taxes. Permitted to pay bail in order to attend the Beijing Olympics, Shinawatra and his wife resumed exile in London.

In October, 2008, the Thai Supreme Court sentenced the absent Shinawatra to a two-year prison sentence for his illegal actions regarding the Ratchadapisek Road land sale. England stripped Shinawatra of his visa, and he took up residence in Dubai, and he had not returned to Thailand since his conviction. The Shinawatras divorced the next month. In November, 2009, Shinawatra began serving briefly as the economic adviser to Cambodian prime minister Hun Sen. Sri Lankan officials asked Shinawatra to perform similar services.

In late 2009, a criminal division for political officeholders of the Thai Supreme Court scrutinized the wealth Shinawatra accumulated during his tenure as prime minister. Shinawatra was tried by the court, with witnesses stating that he had manipulated policies in order for the Shin Corporation to receive government funds and tele-

Shinawatra University

In September, 2002, Shinawatra University began offering classes on its campus, located on 300 rais (118 acres) in Thailand's Sam Khok district of Pathum Thani Province, approximately 50 kilometers (31 miles) from Bangkok. Telecommunications entrepreneur and politician Thaksin Shinawatra and his friend, Thai minister of the interior Purachai Piemsomboon, began discussions in 1996 regarding the creation of a university that would educate students to perform innovative jobs in business and technology. Shinawatra viewed education as a commodity that enabled Thailand to compete in the global economy. In 1999, Shinawatra and his family provided 1 billion baht (with the exchange rate averaging 27 baht per dollar) to establish this school.

Shinawatra and administrators, including university chairman Olarn Chaipravat, an economic adviser to the Thai minister of finance, consulted businesses to learn the qualities they sought in employees. The leaders of Shinawatra University envisioned preparing graduates to fulfill employers' needs. In 2001, the university's council, composed of people selected by the Thai minister of education, endorsed the university's master of business administration (M.B.A.) program, as well as bachelor degrees in business administration, computer science, and the "built environment," an innovative architecture and technology program. Architect Soontorn Boonyatikarn designed buildings compatible with Thailand's tropical climate for Shinawatra University.

The university operates academic programs in either its school of technology or its school of management. The school also funds scholarships for students, including employees of Shinawatra's company, the Shin Corporation, and government officials and workers. University officials intend for graduates to acquire the essential knowledge that will enable them to become employable in their fields, with many students developing skills that will allow them to establish companies. Students study and debate actual business situations. Shinawatra's companies, particularly the Shin Corporation, and other Thai businesses provide students opportunities to gain realistic work experiences.

During 2004, Shinawatra University graduated its first M.B.A. recipients, expanded to a second campus for graduate courses taught on two floors in the Shinawatra Tower III building in Bangkok, and established additional master's programs in management technology, information technology, and systems engineering. The next year, the school began awarding doctorates in management and technology. In 2006, Shinawatra University's first undergraduate students received their degrees.

In July, 2007, the *Bangkok Post* reported that the 2006 coup in Thailand and Shinawatra's exile to avoid being prosecuted for corruption had detrimentally affected Shinawatra University, causing the school to lose both financial resources and students. Many students became disillusioned with Shinawatra and quit their studies or transferred to another school, fearing the university would close or Shinawatra's name might be a stigma impeding their employment possibilities. Enrollment in 2006 dropped to 320 students from 383 the previous year. Some foreign students and faculty worried about safety issues. Administrators assured the university community that despite Shinawatra's assets being frozen, the university's endowment of 300 million baht (averaging 32 baht per dollar) had not been seized.

In 2008, the university council endorsed a bachelor's program in liberal arts and a master's degree for teaching English as an international language. Shinawatra University hosted its ninth anniversary celebration on December 26, 2008. In September, 2009, the *Nation*, a Thai newspaper, reported that the Thaicom Foundation would provide 1 million baht (33 baht per dollar) in order to award scholarships to fifty aspiring Thai entrepreneurs.

communications contracts with better terms than competing firms were granted. Thai officials prevented Shinawatra's access to approximately 76 billion baht (33 baht per dollar), a portion of the money he had placed in banks. *Forbes* named him the sixteenth-wealthiest person in Thailand that year, estimating his net worth at $390 million. However, he was not included on the magazine's 2010 list of world billionaires. In February, 2010, Thailand's Supreme Court ruled that $1.4 billion worth of Shinawatra's assets that the government had frozen would be confiscated.

Legacy

Shinawatra's wealth primarily benefited his immediate family and allies, enabling them to purchase luxury items and financing elaborate lifestyles in Bangkok's Bang Plad and Dusit districts and abroad. Interested in improving education in Thailand, Shinawatra invested some of his fortune to establish Shinawatra University in order to prepare Thais for employment in the nation's businesses. He viewed the university's creation as a means of sharing the Shin Corporation's revenues with others and of helping Thais improve their economic status. Shinawatra envisioned his namesake school as a community of aspiring entrepreneurs.

Although his popularity and riches secured him political power, Shinawatra was a divisive figure whose leadership strategies, based on his identity as an executive, often provoked strife among Thais, who either supported or loathed him. His questionable actions associated with procuring his vast assets provoked controversy and litigation. Thai officials devoted considerable resources to seeking prosecution or amnesty for Shinawatra, diverting time from their efforts to govern the nation.

—*Elizabeth D. Schafer*

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See also: Dhanin Chearavanont; Seng Sae Khu.

Georg von Siemens

German banker, landowner, and politician

Siemens founded the Deutsche Bank, the first international investment bank in Germany. Through his work in financing German international business ventures, Siemens built a substantial fortune of his own and enhanced the wealth of his industrialist relatives.

Born: October 21, 1839; Torgau, Prussia (now in Germany)
Died: October 23, 1901; Berlin, Germany
Sources of wealth: Banking; real estate
Bequeathal of wealth: Children

Early Life

Georg von Siemens (GAY-org fuhn SEE-mehnz) was born into a prominent German family. His father, Johann von Siemens, was a civil servant, and his cousins Verner and Johann Georg von Siemens were electrical engineers and inventors who together would found one of the first telegraph companies. Young Siemens appeared destined to follow in the footsteps of his father, studying law at the University of Heidelberg and, after a brief stint in the German military, serving legal internships with several district courts. Following his admission to the bar in 1866, Siemens went to work as a legal adviser to his cousins at the Siemens and Halske Company, where he was instrumental in the establishment of several large and lucrative business ventures, including the Indo-European Telegraph Company. His success as a negotiator and manager prompted his cousins to place their trust in him in managing their international business affairs.

First Ventures

Siemens's work with the Siemens and Halske Company allowed him to amass a measure of wealth uncommon to a man who had not yet reached the age of thirty. His role as manager of overseas operations for the company also exposed him to the financial difficulties and risk inherent in international business ventures. During the nineteenth century, German businesses seeking financing for such ventures were often forced to turn to British banks. As a growing number of German businesses engaged in international commerce, demand grew for a German bank with sufficient resources to finance global trade ventures. In 1870, a group of German industrialists and bankers joined together to found the Deutsche Bank, recruiting Siemens to serve as its first manager.

Mature Wealth

Despite having no prior experience in banking, Siemens immediately sought to challenge British banks in international trade through an aggressive policy of expansion, opening offices in London, New York, and Paris, as well as in China, Japan, and South America. Siemens also defied precedent by allowing the bank to accept short-term deposits from private patrons for fixed periods, a practice that set a precedent for such subsequent banking services as certificates of deposit. His ideas produced mixed results: Political and economic conditions resulted in the closing of the bank's Asian operations, yet the acceptance of private deposits allowed the bank to maintain sufficient capital to maintain growth and to finance a number of lucrative international projects, including the Baghdad Railway in the Ottoman Empire and the Northern Pacific Railway in the United States.

As the Deutsche Bank prospered from the German industrial expansion of the late nineteenth century, Siemens joined the ranks of successful businessmen from the German middle class. Like many of his peers, he avoided extravagant behavior and stressed practicality and frugality in his daily life. While traveling, he often dressed so modestly that he was mistaken for a person of limited means. His estate grew to include extensive landholdings, including a vacation home in Italy, yet Siemens rarely took a vacation, although his extensive business travels continued. As his success in business grew, he entered politics in the 1870's and was elected to the Riechstag in 1874. As a legislator, Siemens advanced a probusiness agenda that increased his power, influence, and wealth. Siemens continued to maintain a relatively simple lifestyle, largely eschewing the lavish social life of a wealthy businessman.

Legacy

A pioneer of the modern banking industry, Georg von Siemens built substantial personal wealth as well as a financial institution that survived global economic turmoil and world war to remain one of the largest investment banks in the world at the end of the twentieth century. In keeping with his ancestors' family-centered philosophy, Siemens left most of his wealth to his children. The Siemens family retained financial interests in Deutsche Bank long after his death.

—*Michael H. Burchett*

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See also: August Belmont; Samuel Loyd; Andrew Mellon; Richard B. Mellon; First Baron Rothschild; Nathan Mayer Rothschild; José de Salamanca y Mayol; James Stillman.

Harry F. Sinclair

American oil magnate

Sinclair created one of the largest oil companies in the United States. By the time he retired from active management, Sinclair Consolidated Oil Corporation had become the seventh-largest oil company in America, with assets of more than $700 million and more than 100,000 stockholders.

Born: July 6, 1876; Wheeling, West Virginia
Died: November 10, 1956; Pasadena, California
Also known as: Harry Ford Sinclair
Source of wealth: Oil
Bequeathal of wealth: Relatives

Early Life

Harry Ford Sinclair (sihn-KLAYR) was the son of a pharmacist who operated a successful business in Independence, Kansas. He intended to carry on his father's business and studied pharmacy at the University of Kansas. However, he lost the pharmacy in some speculative ventures. When a hunting accident forced the amputation of one of his toes, Sinclair used his $5,000 insurance settlement to invest in "mud silles," the large logs that were used as skids upon which drilling rigs were erected. He also began working as a lease broker, signing up leases for oil exploration and drilling on land in southeast Kansas and in the northern part of the Indian Territory (now Oklahoma).

First Ventures

With the income generated by his early involvement in the oil business, Sinclair began drilling his own wells, and in July, 1905, he made his oil discovery just south of Caney, Kansas, in the Indian Territory. By 1907, Sinclair was one of the wealthiest men in Kansas, and he was a millionaire by 1911. However, the following year the Cushing Field was discovered in Oklahoma, a vast petroleum reserve that for a time produced so much oil that the supply outstripped demand, driving prices to low levels. Eventually, however, the demands created by World War I and the growth of the automobile industry in the United States caused consumption to rise again. In 1916, Sinclair offered stock in Sinclair Oil and Refining Corporation, with $50 million of stated assets. Eventually, Sinclair Oil became a prime example of vertical integration, involved in every step of the oil business, including exploration, drilling, transportation, refining, and retail sales.

Mature Wealth

Although Sinclair claimed to disdain the public spotlight, he lived lavishly. He traveled widely by private aircraft and also had a private railroad car named Sinco. At one time, he owned an elaborate French Renaissance-style mansion on Fifth Avenue in New York City. He had a great interest in sports and was a financial backer of the short-lived Federal Baseball League, which in 1914 and 1915 tried to break the monopoly on professional baseball held by the National and American Leagues. He was an avid fan of horse racing and for a time owned the Rancocas Stables near Jobstown, New Jersey.

In 1924, Sinclair was accused of offering bribes to Secretary of the Interior Albert B. Fall in order to obtain drilling rights in the Teapot Dome area of Wyoming, an area that was part of a naval oil reserve, where oil was supposed to be left untouched in case the U.S. Navy needed it in a national emergency. The Teapot Dome Scandal resulted in Fall's eventually being sentenced to prison. Sinclair was acquitted of the bribery charges, but he was convicted of contempt of court and of contempt of Congress for failing to answer questions about his alleged involvement. He spent six and a half months in prison because of these convictions. In January, 1949, Sinclair retired from active leadership of his company.

Legacy

Estimates of the extent of Sinclair's personal fortune vary widely, and for much of his career it is difficult to separate his personal wealth from the value of his corporate empire. However, his greatest financial legacy was the corporation he had created. In 1950, Sinclair Consolidated Oil had assets of more than $1 billion. In 1957, it was listed as the seventh-largest oil company in the United States and the fourteenth-largest industrial firm of any kind, doing business throughout the United States and in many foreign countries.

Sinclair's career after the Teapot Dome scandal somewhat rehabilitated his name and image, but it is likely that in American historical memory, he will always be linked to that infamous oil deal. In 1969, Sinclair Oil was acquired by the Atlantic Richfield Company, but in the mid-1970's much of the Sinclair assets were spun off into a privately held corporation that continues to do business as Sinclair Oil Corporation.

—Mark S. Joy

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ISAAC MERRIT SINGER

American inventor, industrialist, and actor

Singer earned his wealth by patenting and producing a popular sewing machine. A former actor with a flamboyant and unorthodox lifestyle, he understood how to advertise and market his products, devising an innovative plan for selling sewing machines on credit.

Born: October 27, 1811; Pittstown, New York
Died: July 23, 1875; Torquay, Devon, England
Also known as: Isaac Merrit
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Spouse; children

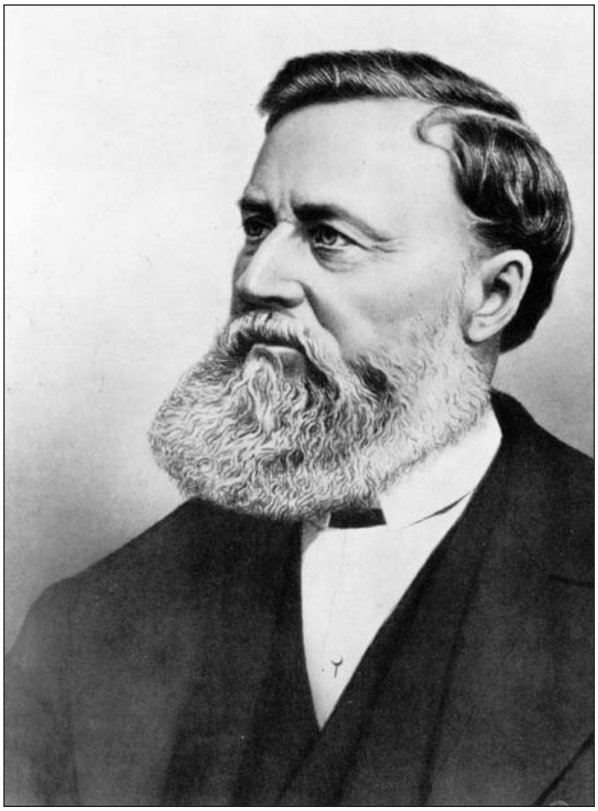
EARLY LIFE

Isaac Merrit Singer was born in Pittstown, New York, on October 27, 1811, the seventh son of Adam Singer and his wife Ruth Benson Singer. His father had immigrated from Germany and is believed to have been Jewish. Singer's parents divorced when he was ten years old. His father remarried, and difficulties developed between Singer and his stepmother. At the age of twelve, Singer went to live with his elder brother in Otsego County, New York. His brother had a machine shop, where Singer began working and learned the machinist trade.

In 1830, Singer married Catharine Maria Haley. They moved to New York City in 1831 but returned to Otsego County two years later. Singer found work at the machine shop of George Pomeroy. In 1836, having decided that he would rather be an actor than a machinist, he joined a touring company of actors. He and his wife were again living in New York City in 1837. During this time, they had two children, William and Lillian. Singer had also fathered a child with Mary Ann Sponsler, whom he had met while on tour.

FIRST VENTURES

While Singer preferred acting to the machinist trade, the acting profession did not provide him and his family with an adequate and dependable living. Thus, he returned to the machinist trade. He invented a rock-drilling machine for which he obtained a patent in 1839. He sold the patent for $2,000 and returned to acting. He formed a company called the Merrit Players, using the name Isaac Merrit as his stage name. Sponsler, the woman he had met on his earlier tour and with whom he was living at the time, performed with the Merrit Players. The company toured for five years until 1849. By then, his patent money was ex-



Isaac Merrit Singer. (Hulton Archive/Getty Images) hausted, and Singer once again stopped acting. He took a job in a print shop in Fredericksburg, Ohio.

Two years later, he went to Pittsburgh, Pennsylvania, where he set up a shop of his own. He began working on the invention of a machine for carving both wood and metal. In 1849, he received a patent for such a machine. He went back to New York City and found employment with A. B. Taylor and Company, and while there he developed a woodblock-cutting machine. This machine, as well as the shop, was destroyed when a steam boiler blew up. Fortunately for Singer, Orson Phelps was familiar with Singer's machine, and Phelps offered Singer a job in his Boston shop. In 1850, Singer moved to Boston and built another woodblock-cutting machine. The new machine was not a success.

Singer's first sewing machine. (Getty Images)

At this time, Phelps's shop manufactured sewing machines for the Leroy and Blodgett Company. These machines were neither easy to build nor easy to use. Hoping for some improvement, Phelps, who admired Singer's skill as a machinist, had him examine the machine's design. Singer improved the machine, replacing its curved needles with straight ones and changing the mechanism of the shuttle from a straight-line to a circular movement.

Mature Wealth

Singer received a patent on his improved design for a sewing machine on August 12, 1851. Singer and Phelps then went into partnership with George B. Zieber, who provided the financial backing, and formed the Jenny Lind Sewing Machine Company. Singer soon had another partner, Edward C. Clark, a New York lawyer whose business skill would enable the company to be a success. The partners also renamed the firm I. M. Singer & Co.

Shortly after forming his company, Singer became involved in patent lawsuits. There were several other companies with various patents producing rival sewing machines. In 1856, the sewing machine manufacturers, with the exception of Elias Howe, met in Albany, New York. The manufacturers were well aware that they were spending a considerable portion of their profits on litigation. Orlando B. Potter, the president of the Grover and Baker Company, suggested a solution to the problem: the pooling of patents, which would permit all of the companies to produce sewing machines without patent infringement conflicts. There was unanimous agreement to the proposal, and shortly thereafter, Howe also accepted the plan and the Sewing Machine Combination was formed. This agreement initiated the mass production of sewing machines.

While Singer could not be credited with inventing the sewing machine, he was recognized as producing the most practical machine. He produced two versions of his machine. He manufactured a large machine, which was suitable for use by tailors, as well as shoe cobblers, since it was able to sew through leather. He also manufactured a smaller sewing machine, called the Turtle Back Machine, for use in the home. From 1851 to 1865, Singer continuously improved his sewing machine, and by 1865 he had patented twenty improvements to his product. Two of the most important of these were the continuous wheel feed and the yielding pressure foot.

I. M. Singer & Co. grew rapidly, and on the suggestion of Clark the firm moved from Boston to New York City. In 1860, the company, located at Mott Street in New York City, produced 13,000 sewing machines, compared with only 2,564 four years earlier. With his flair for drama and his vivid imagination, Singer developed innovative ways of bringing his product to the attention of all classes of society. He appeared at fairs and outdoor gatherings and personally demonstrated his sewing machine. He also sang a special tune, "The Shirt Song," to advertise his product. To reach the upper echelons of society, he hosted gala balls in New York. At these balls, attractive women were seated at sewing machines strategically placed throughout the venue, and they demonstrated the ease of sewing with a Singer machine.

Just as Singer was creative in promoting his product, he was also innovative in his sales methods. For those who could not afford to pay cash for a sewing machine, he offered the "hire purchase plan," enabling customers to make a $5 down payment, take the machine home, and then pay the rest of the price in monthly installments of $3. Singer was one of the first to offer this credit installment plan. By 1860, Singer was a millionaire as the result of his firm's success.

In 1863, I. M. Singer & Co. was reorganized both financially and structurally and was renamed the Singer Manufacturing Company. Singer himself no longer played an active role in the company but retained 40 percent of the stock and served on the board of trustees. In 1867, the company entered the European market with the establishment of a factory in Clydebank, Scotland. Subsequent factories were established in Rio de Janeiro, Brazil, and near Paris, France, making the Singer Manufacturing Company one of the first American firms to operate internationally.

Singer's immense wealth enabled him to own several mansions, with the most elaborate one being Oldway Mansion in Paignton near Torquay, England. When he purchased this English property in 1871, it was the site of the Fernham estate. Singer tore down all of the estate's buildings and hired the architect George Soudon Bridgman to build a magnificent mansion with 115 rooms. Singer lived there until his death from heart failure on July 23, 1875. He was buried in the Torquay cemetery. At the time of his death, Singer had twenty-two acknowledged children from two wives, a common-law wife, and two mistresses, and he left an estate worth approximately $14 million.

The Singer Will Lawsuits

Upon his death in 1875, Isaac Merrit Singer left an estate of approximately $14 million. He also left two wives to whom he had been legally married, a common-law wife, and two mistresses, and with these women he had twenty-two children whom he recognized as his own. Singer did not divide his wealth evenly among his children. To some he left a large inheritance, to others he left very little, while others were entirely excluded. He left the largest shares of his fortune, as well as his Oldway Mansion, to his six children by his last wife, Isabella. His sons from this marriage received more money than his daughters. His children from his first marriage, William and Lillian, received very small amounts of money, with William inheriting $10,000 and Lillian receiving only $500. Among his wives and mistresses, he left money only to Isabella, his wife at the time of his death.

With so much money involved, several of his children, wives, and mistresses filed lawsuits against the estate. These suits resulted in years of litigation and were often without a valid claim to Singer's fortune. One of the most curious of the lawsuits was that of his common-law wife, Mary Ann Sponsler. In 1875, she sued the estate, alleging that she was Singer's lawful widow because she had lived with him for seven months after his divorce from his first wife, Catharine Haley, and was therefore his wife according to common law. Sponsler based her claim on the grounds that she had not been granted a divorce from Singer when she sued him for divorce after discovering his infidelity with his employee and mistress, Mary McGonigal. Therefore, she claimed, she was Singer's wife at the time he married Isabella. Sponsler made her allegations despite the fact that she had married John E. Foster in 1862, and at that time declared herself an unmarried woman. The lawsuits against Singer's will reflect his chaotic and unorthodox lifestyle, which caused him to be barred from polite society, notwithstanding his immense wealth.

Legacy

Isaac Merrit Singer acquired his wealth through his exceptional talent as a machinist who quickly realized how to improve a design and who tenaciously sought further refinements. He was also an astute businessman with a good sense of a product's marketability and a knowledge of sales techniques. By developing the Singer sewing machine and a company that would eventually market his product worldwide, Singer provided customers with a product that was useful in both the home and in some businesses. As one of the innovators of a credit plan with monthly installment payments, he helped increase the purchasing power of the wage earner and changed the structure of buying and selling merchandise. His Oldway Mansion in England, now opened to the public, provides cultural and artistic insights to visitors.

—Shawncey Webb

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See also: Edward C. Clark; Samuel Colt; Peter Cooper; George Eastman; Thomas Edison; Harvey Firestone; Edwin Herbert Land; Cyrus Hall McCormick; Samuel F. B. Morse; George Westinghouse.

Samuel Slater

American industrialist and inventor

Slater built cotton spinning mills in New England that not only provided a product at a cheaper price than goods imported from England but also employed hundreds of workers. His mills developed commerce and generated income that helped build the economy of the United States.

Born: June 9, 1768; Belper, Derbyshire, England
Died: April 21, 1835; Webster, Massachusetts
Also known as: The Father of American Manufactures
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Spouse; children; relatives

Early Life

Samuel Slater (SLAY-tuhr) was the second son of William Slater, a prosperous farmer and landowner, and Elizabeth Fox Slater. At school he excelled in arithmetic, and at home he exhibited his mechanical skill by making a polished steel spindle to facilitate winding worsted yarn. A neighbor, mill owner Jedediah Strutt, needed an apprentice; William Slater recommended Samuel, since his older son wished to become a farmer. Strutt had been a partner of Sir Richard Arkwright, who had invented the spinning frame, later renamed the water frame as factories converted to water power. This machine revolutionized the developing textile industry.

Slater signed his apprentice agreement on January 8, 1783. It committed him to work for Strutt for six and a half years. Strutt, in turn, was to provide Slater with food and housing, and more important, with instruction in the art of cotton spinning. Slater was fascinated by the complex machinery, and when his apprenticeship ended, he supervised the construction of new machinery in one of Strutt's other mills.

By chance Slater read an advertisement offering £100 to anyone who could come to America and teach the latest methods of textile manufacture. Unfortunately, acts of Parliament made it illegal for information on developing technologies to leave England, prohibiting mechanics from emigrating. Slater decided to go to the United States, and he told officials at the port of London that he was a farmer and, therefore, exempt from the law restricting emigration. He sailed from London in September, 1789, with his apprenticeship certificate, which would prove his skills, carefully hidden, and he arrived in New York sixty-six days later.

First Ventures

His first job at the New York Manufacturing Company was disappointing. The mill was poorly equipped and had insufficient water power. Slater learned that Almy & Brown, a Rhode Island company, needed a manager for its cotton spinning mill. His letter to Moses Brown, an owner, touting his background in working with Arkwright frames and in Strutt's mills, was enthusiastically received. In his reply letter of December 10, 1789, Brown wrote of the company's need for someone who could fix the faulty machinery. He offered Slater a share in the profits and a partnership if he could make the machines work. For the wages of $1 a day, Slater's primary job was to build a working Arkwright machine. He accepted the challenge and the position.

When Slater left England, he could not legally bring machine models or even drawings of machines out of the country. Consequently, his knowledge of the spindles and gears that made up an Arkwright frame was all in his head. Slater relocated to Pawtucket, Rhode Island, and began work in what had once been a clothier's shop, located above the falls of the Blackstone River. Handicapped by lack of skilled mechanics and tools, Slater labored for almost a year to build the first machine. On December 20, 1790, the first cotton spinning mill in America began production with the Arkwright system, and orders started pouring in. Now Americans could buy cotton cloth from Almy, Brown & Slater for nine cents a yard. Previously, cotton cloth imported from England cost forty to fifty cents a yard. Slater had supplied the technical know-how to build the machines, and he also managed the mill.

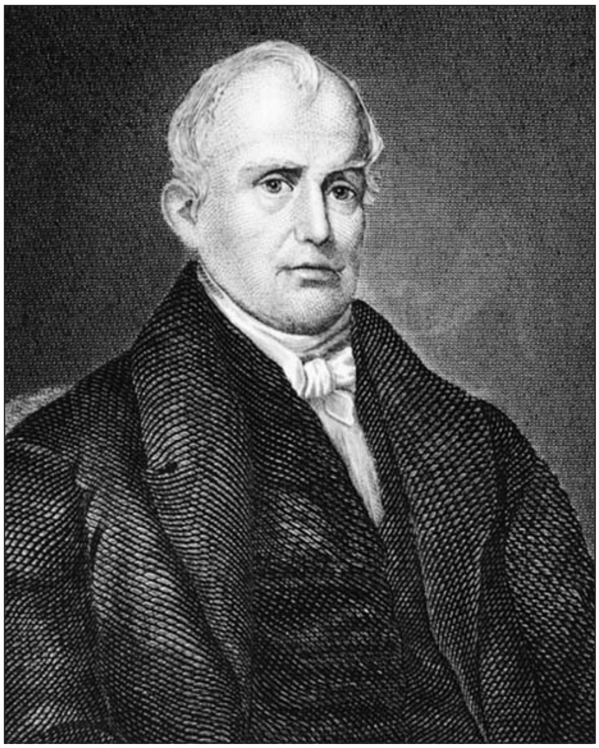
Two years later, the profits were sufficient to warrant an expansion of the mill, and Slater's share in this venture was about $5,000. With his wages and his inheritance from his father of real estate and a nail store, Slater was in a financial position to marry. He had been living with the Wilkinson family, and he married the younger daughter, Hannah Wilkinson, on October 2, 1791. They would have ten children; six sons survived to adulthood, and three followed him into the business.

Mature Wealth

In 1793 the Almy, Brown & Slater partnership constructed a new, larger mill on the Blackstone River in Pawtucket, near the original mill. This mill, now called the Old Slater Mill, became a National Historic Landmark in 1966. It had three carders and two spinning frames, containing seventy-two spindles. With this mill, as in other Slater mills, Slater demonstrated not only his mechanical expertise but also his skill managing workers. Slater copied the English system of family labor where entire families—men, women, and children—worked in the mills. He set up New England's first Sunday school for the children, not for religious purposes but to teach reading and writing to children who worked in his mills six days a week. Slater provided company-owned housing for the workers, as well as a company store, developing the "Rhode Island system" of labor management.

Slater, who owned a one-half interest in the mill, disagreed with his partners over the mill's management, and in 1798 he organized a new firm with his in-laws, Samuel Slater and Company. He continued to build textile mills, all operating with the Arkwright machinery and fueled by water power. In 1801, in Rehoboth, he built the first mill in Massachusetts to use the Arkwright system, known as the White Mill because of its color.

Still connected with Almy, Brown, Slater added his brother John Slater, who had emigrated from England in 1803, to the partnership. John was a skilled mechanic and had knowledge of the latest textile manufacturing techniques in England. It was John who selected the site for a new mill, erected in 1806, in northern Rhode Island on the Branch River. As was customary around the new mills, a town developed. This town was named Slatersville. By 1812, Slater was a wealthy man, owning interests in four highly profitable mills. That year his wife died.



Samuel Slater. (Library of Congress)

The Slater Education Fund for Emancipated Slaves

The Slater Education Fund for Emancipated Slaves was created by John Fox Slater (1815-1884), a nephew of Samuel Slater. John Fox Slater's father John Slater had emigrated from England and went to work in his brother Samuel's textile mills. John later owned mills on his own. When John Fox Slater was seventeen, he began work in his father's woolen mill, and he later managed his father's cotton mill in Jewett City, Connecticut. When his father died, he was left a modest fortune, and his own efforts in manufacturing made him a wealthy man.

Slater had always been interested in education. In 1868, he helped to found and endow the Norwich Free Academy. Influenced by the work of the Peabody Education Fund, established in 1867 to promote education in the South, he donated \$1 million to set up a fund to educate former slaves. The fund was incorporated on April 28, 1882, and the first meeting of its trustees was held on May 18, chaired by former U.S. president Rutherford B. Hayes, who served on the board until his death. The board selected Methodist clergyman and Emory College president Atticus G. Haygood to be its general agent. It was Haygood's responsibility to distribute money to various African American schools and colleges throughout the South.

Between 1883 and 1886, the Slater fund distributed more than \$100,000 to black schools and colleges, primarily to equip and operate manual training programs. The fund also supported black colleges by providing salary supplements for teachers employed in the fields of teacher training and industrial education. Notably, it provided financial support to the Hampton Institute in Virginia, which also enrolled Native Americans, and the Tuskegee Institute in Alabama, established by Booker T. Washington. By 1900, these schools received one-half of the annual Slater appropriations.

Other foundations, such as the Carnegie Corporation and the General Education Board, provided funds that were administered by the Slater fund. In 1911, in cooperation with the General Education Board, founded by John D. Rockefeller, and the Anna T. Jeanes Fund, the Slater fund established county training schools to provide a high school education, teacher training, and courses on "basic" industries, such as domestic training for girls and manual training for boys. Between 1914 and 1930, 384 county training schools for the rural African American population were established in thirteen southern states. Later, many of these institutions became secondary schools. In 1914, the Peabody Education Fund was dissolved and donated \$300,000 to the Slater fund. By 1935 the Slater fund had distributed \$4 million.

Although John Fox Slater had included the provision that the fund might be dissolved after thirty-three years, it continued its work until 1937, when it merged with the Negro Rural School Fund, also known as the Anna T. Jeanes Fund, and the Virginia Randolph Fund. The new organization, named the Southern Education Foundation, Inc., is headquartered in Atlanta, Georgia, and continues to support minority education.

When the War of 1812 began, Slater saw an opportunity to extend his financial interests since British imports were closed to American markets. He constructed a mill, known as the Green Mill, at Oxford (now Webster), Massachusetts. In 1815, he was involved in building a woolen mill, also at Oxford. Following the conclusion of the war, Slater suffered financial difficulties, but he was able to recover. On November 21, 1817, he married Esther Parkinson, a wealthy widow from Philadelphia. He became a partner in the Amoskeag Mill, in Manchester, New Hampshire, in 1822, and, a year later, with his brother John, he bought a mill in Jewett City, Connecticut.

To this point, all of his mills had been water powered. In 1827, Slater and his partners erected a steam-driven mill in Providence, Rhode Island. Because his business was extensive, three of his sons helped operate the mills, and he formed a corporation, Samuel Slater and Sons. He made Providence his headquarters and relinquished partial control of the business to his sons. Slater, who had retired from his business about six years before his death, died from complications of a cold in 1835. At the time of his death, he owned six mills, and his fortune was estimated at more than \$1 million.

Legacy

Samuel Slater was visited in 1833 by President Andrew Jackson, who named him the Father of American Manufactures. In all, Slater was connected to thirteen textile mills that he owned or in which he held shares. He introduced machinery that revolutionized the production of textiles in the United States and was the first to install the factory system in America. He also provided a model for factory management that was replicated in other industries. At one point, Slater employed more workers than any other person in America. Slater not only acquired wealth in the United States but also contributed to the financial prosperity of many others.

—Marcia B. Dinneen

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See also: Sir Richard Arkwright; Moses Brown; Paul Cuffe; Francis Cabot Lowell; James Morrison; George Peabody; John Rylands; Israel Thorndike.

CARLOS SLIM

Mexican industrialist and businessman

Slim topped Forbes *magazine's 2010 list of world billionaires, with an estimated net worth of $53.5 billion. Critics accuse him of exercising near monopolistic control over the Mexican economy; Slim responds by pointing to his flourishing companies and the thousands of jobs they provide.*

Born: January 28, 1940; Mexico City, Mexico
Also known as: Carlos Slim Helú
Sources of wealth: Inheritance; real estate; media; investments; telecommunications
Bequeathal of wealth: Charity

EARLY LIFE

Carlos Slim (KAHR-lohs sleem; American pronunciation, slihm) Helú was born in Mexico City in 1940. His father, Julián Slim Haddad, was born Kahild Yusef Salim Haddad in Jezzine, Lebanon, in 1888. His mother, Doña Linda Helú, was the daughter of Lebanese immigrants. At the turn of the century, Lebanon was part of the Ottoman Empire. In 1902, Slim's father, a Maronite Catholic, immigrated to Mexico, seeking greater religious autonomy, as did many other Lebanese of that era. Julián Slim Haddad was a successful businessman, operating the Oriental Star line of stores and acquiring real estate. By the time he died in 1953, he had a net worth of 1,021,258 pesos, which is equal to more than $35 million in 2010 U.S. currency.

Carlos Slim was the fifth of six children. Julián gave Carlos lessons in business from an early age, requiring him to record his allowance and expenditures in a savings book. With his boyhood friends, Carlos traded baseball cards, meticulously recording his profits. Carlos opened his first checking account and purchased his first stock market shares when he was twelve. He was an excellent student, and he received his college degree in civil engineering from the National Autonomous University of Mexico in 1961. He worked for several years as an engineer before realizing that his passion was finance. In April, 1966, he married Soumaya Domit Gemayel, also of Lebanese heritage; they would have six children: Carlos, Marco, Patrick, Soumaya, Vanessa, and Johanna.

FIRST VENTURES

In a sense, Slim had been preparing for success in business his entire life, learning from his father, reading books on investing by J. Paul Getty and other businesspeople, and dabbling in the stock market. In 1966, he was already worth $400,000. In January, 1966, Slim incorporated his first business, Immobiliaria Carso, with the name derived from the first syllables of the first names of Carlos and his wife Soumaya. In 1967, he entered the real estate market, establishing a residential real estate company, Promotora del Hogar, S.A., and a construction equipment company, GM Maquinaria. As he earned profits from each business, he used this money to finance new ventures, including a printing shop, a paper company, a copper mine, food sales, and the cigarette manufacturer Cigatam. In 1980, he created a holding company, Grupo Carso, for his various ventures.

Mature Wealth

Like many shrewd businessmen, Slim made his fortune in times of adversity, and two events were particularly significant in the accumulation of his vast fortune. The first event was the near collapse of the Mexican economy in 1982, when the nation defaulted on its debts and devalued its currency. Devaluation resulted in an economic panic, in which the prices of Mexican companies fell sharply. At this time, Slim went on a buying spree. He accumulated shares in the Mexican subsidiaries of Reynolds Aluminum Company, General Tire and Rubber Company, Anderson Clayton, and Firestone Tires. His largest purchases were the Seguros de Mexico insurance company and Sanborns, which would become the largest retail and restaurant chain in Mexico. When the Mexican economy rebounded, Slim was in possession of a conglomerate, in which the companies had greatly increased in value. He duplicated this success in other countries, acquiring shares of Argentinean, Brazilian, and Colombian companies at times of national economic crises. He also obtained shares of American companies, such as Saks Incorporated, CompUSA, and *The New York Times*.

The second event occurred in 1990, when the Mexican government divested itself of its telephone monopoly, Telefonos de Mexico, better known as Telmex. Because Telmex was poorly run, the government seemed to have little idea of the potential profitability of the company's operations, especially the licensing of cell phones, which at this time was an innovation in the telephone industry. Slim obtained control of the company for less than $2 billion. He immediately overhauled management, instituted employee training, and invested billions of dollars in infrastructure. He devised innovative marketing techniques, such as pairing calling cards with mobile phones. To protect against devaluation, he pegged Telmex's rates to the U.S. dollar, not the Mexican peso. By 2001, the company was capitalized at $27 billion. In addition, Slim spun off the wireless portion of Telmex into its own company, America Movil S.A.B. de C.V., which by 2007 was Latin America's largest mobile telephone operator, with 143.4 million subscribers and a market capitalization of about $105.24 billion. Slim also controlled Tracfone, an American prepaid cell phone company.

Carlos Slim. (AP/Wide World Photos)

In October, 2008, Slim lent *The New York Times Company*, in which he already held a substantial number of shares, $250 million in exchange for warrants on another sixteen million shares of *Times* stock. This loan generated speculation about the reasons for the transaction. Some observers maintained that Slim simply saw an opportunity to acquire stock that had become devalued. Others, however, argued that Slim was trying to influence one of the world's most respected newspapers by obtaining the second-largest block of stock in the *Times* company, exceeded only by the shares of the newspaper's longtime owners, the Ochs and Sulzberger families.

In 2005, *Forbes* magazine ranked Slim as the fourth-richest man in the world. He continued to increase his fortune during the recession of 2008-2009. On March 10, 2010, Slim ranked as the richest person in the world in *Forbes*' list of billionaires, with a fortune estimated at $53.5 billion, roughly equivalent to 5 percent of Mexico's gross national product. Slim owned about two hundred of Mexico's leading companies; the value of these firms' stock amounted to about 40 percent of the entire Mexican stock exchange. Slim's holdings include the bank Inbursa; the Condumex electric company; the CILSA construction company; the Swecomex drilling company; the Star Medica chain of hospitals; financial and insurance companies; real estate holdings, including five hotels; cigarette and bottling manufacturers; airline companies; and a mining company.

Slim has been criticized for having an octopus-like control of the Mexican economy. Some of his critics allege that he obtained control of Telmex through political

Philanthropic Foundations

There is no more important institution connected to the incredibly wealthy than the philanthropic foundation. Rich people establish these charitable organizations for several reasons. One motive is their genuine desire to perform "good works" with their accumulated billions of dollars. Charitable donations and the distribution of philanthropic funds can also result in tax advantages. In addition, a philanthropic foundation can advance an individual's good name and commercial enterprises. Whatever the motive, there is no denying that many of the philanthropic causes, initiatives, and benefices of the twentieth century were pioneered by foundations established by the immensely wealthy. Institutions such as the Ford, Carnegie, Rockefeller, Hearst, and Mellon Foundations read like a roll call of the great American industrialists of the late nineteenth century. These foundations have extended the impact of these men far beyond the grave and have greatly influenced society in the United States and other countries during the twentieth century.

Foundations have precedents in the charitable endowments, trust, and *waqfs* (Islamic endowments) established for religious purposes. Many early foundations were established as a means of benefiting specific causes. George Peabody, a nineteenth century American financier and merchant, played a significant role in setting the precedent for modern foundations. He established an education fund that enabled him to make a large number of donations, demonstrating how money deposited in a nonaffiliated, legally organized corporation could accomplish charitable goals.

By the end of 2009, the largest charitable foundation in the world was the Bill and Melinda Gates Foundation, established by the cofounder of Microsoft and his wife, which had an endowment of $38.9 billion. The Wellcome Trust, founded by pharmaceutical executive Henry Wellcome, was the second-largest, with an endowment of $27.2 billion. Rounding out the top ten wealthiest foundations in the world were the Ford Foundation, with an endowment of $13.7 billion; the J. Paul Getty Trust, with $10.5 billion; the Church Commissioners of England, with $10.5 billion; the Li Ka Shing Foundation, with $10.1 billion; the Robert Wood Johnson Foundation, with $10 billion; the Muḥammad bin Rāshid Āl Maktūm Foundation, with $10 billion; the W. K. Kellogg Foundation, with $8.5 billion; and the William and Flora Hewlett Foundation, with $8.4 billion. Some of the other American foundations with assets of more than $5 billion included the Lily Endowment, the David and Lucile Packard Foundation, the Andrew W. Mellon Foundation, the John D. and Catherine T. MacArthur Foundation, and the Gordon and Betty Moore Foundation.

In a November 30, 2009, article, *Barron's Financial* identified the philanthropic foundations it considered to be the most effective. The top-ranked organization was Omidyar Network, established by eBay founder Pierre Omidyar and wife Pam, which invests in nonprofit enterprises that seek to bring about about social change. The magazine also praised the Broad Foundations, established by businessman Eli Broad and his wife Edythe, which provide funding in the areas of education, science, art, and civic activities; the Robin Hood Foundation, founded by billionaire hedge fund manager Paul Tudor Jones III, which attempts to alleviate poverty in New York City; the Bharti Foundation, created by Indian telecommunications mogul Sunil Bharti Mital, which works to improve literacy in India; and the Magic Johnson Foundation, established by the former basketball star, which assists people with the human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS). Mexican billionaire Carlos Slim has provided a $10 billion endowment to finance his four charitable organizations: the Carso Foundation, the Telmex Foundation, the Condumex Foundation for History Studies, and the Carlos Slim Foundation.

connections, engaging in "crony capitalism" that enabled him to obtain a vast fortune from the telephone monopoly. Slim responds to these charges by pointing to the productivity of his companies and the 218,000 workers they employ. What cannot be denied is that Slim pursued his business empire with single-minded tenacity and vision.

Despite his unprecedented wealth, Slim maintains a simple lifestyle, living in a modest house in Mexico City, surrounded by the houses of his children. His wife Soumaya died in 1999. Except for some of the priceless art in his house by Bartolomé Esteban Murillo and El Greco, his home is not opulent. His chief passion outside of business is American baseball; the statistical nature of the game apparently appeals to his mathematical mind. He is also an art collector. In 1994, he opened the Museao Soumaya, which contains sixty-four thousand pieces of artwork, including a collection of sculptures by Auguste Rodin. Slim has run several charitable foundations that distributed hundreds of millions of dollars. In 2000, he paid for the renovation of Mexico City's downtown area, and he has donated 100,000 computers to fourteen hundred Mexico schools. Nevertheless, he has expressed skepticism about direct charitable giving, maintaining that this philanthropy is unlikely to solve the structural problems that create poverty.

Legacy

Carlos Slim is one of the most successful capitalists of the late twentieth and early twenty-first centuries. He has excelled at purchasing undervalued and often mismanaged companies at low prices, applying his financial savvy to improve these firm's operations, to make them profitable, and to fit his acquisitions securely within his financial empire. He once told a newspaper reporter, "Buying well is a discipline." Following this advice, he has been able to assemble a large conglomerate of companies. With his relentless business methods, he has dominated the Mexican economy and become one of the richest persons in history.

—*Howard Bromberg*

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See also: Raúl Baillères; Enrique Creel.

Alfred P. Sloan

American automobile company executive

Under Sloan's management, General Motors became a leader in the automobile industry and the world's largest corporation. His principles of corporate management, as described in his book My Years at General Motors, *were essential to his company's success and have been used by many other organizations.*

Born: May 23, 1875; New Haven, Connecticut
Died: February 17, 1966; New York, New York
Also known as: Alfred Pritchard Sloan, Jr.
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Educational institution; medical institution

Early Life

Alfred Pritchard Sloan (slohn), Jr., was the oldest of five children born to Alfred P. Sloan, Sr., and Katherine Mead in New Haven, Connecticut. Both maternal and paternal families were respectable and middle class. Sloan's father was a machinist and a merchant, who ran a successful business selling wholesale roasted and ground imported coffee, tea, and cigars. Sloan attended Brooklyn Polytechnic at the age of eleven and graduated from Massachusetts Institute of Technology (MIT) at age twenty after studying electrical engineering.

First Ventures

Sloan went to work as a draftsman in the Hyatt Roller Bearing Company, a manufacturer of small, flexible rollers (ball bearings), after he completed his studies at MIT. His focus in school had been mechanics and engineering, and he brought his education and knowledge of science to the Hyatt Company. He soon discovered that his company faced financial crisis each payday. Sloan resigned and was hired by Hygienic Refrigerator Company, but this company folded when the owner died. About the same time, Sloan's father and Mr. Donner, who was in the sugar refining business, partnered and purchased Hyatt Roller Bearing Company. At age twenty-four, Sloan became the company's president. He enjoyed the challenge of running this business. Under his leadership, this almost bankrupt company garnered a profit of $12,000 in six months. Sloan's challenge was to market the antifriction ball bearings to businesses with turning wheels. In the years to come, the automobile industry would provide excellent profits for Hyatt, and at one time, Sloan supplied Hyatt ball bearings to both Ford Motor Company and General Motors (GM).

Alfred P. Sloan. (Getty Images)

Mature Wealth

Sloan developed the Hyatt Roller Bearing Company into a competitive and prosperous business. However, when he received a call from William Crapo Durant, an automotive guru, to discuss the purchase of Hyatt, he replied that the company was available for $15 million. After some negotiation, the company his father and business partner purchased in 1889 for $5,000 was sold in 1916 to "Billy" Durant for $13.5 million.

Sloan was invited to become part of Durant's leadership team. Durant, known for his lucrative carriage and wagon business in the early 1900's,

The Sloan-Kettering Institute

In 1945, the Sloan-Kettering Institute, destined to become a premier biomedical research facility, was funded through the efforts of Alfred P. Sloan, Jr., chairman of General Motors (GM), and Charles F. Kettering, a GM executive. Sloan and Kettering donated $4 million to establish this fourteen-story private research center located next to Memorial Hospital in Manhattan and to cover its basic operating expenses. The institute was intended to enhance the research capability for the treatment options offered at the hospital. In the 1940's, research was needed to explore the impact of various forms of chemotherapy that could be used as cancer treatment, either alone or in combination with surgery and radiation, the main cancer treatment modalities at this time. In 1960, the hospital and the research institute merged to become the Memorial Sloan-Kettering Cancer Center.

The research institute's mission is to advance the understanding of the biology and management of cancer by conducting the research that is needed to cure the disease. The institute supports eight research programs with ninety laboratories, including research in cancer biology and genetics, cell biology, immunology, molecular biology, molecular pharmacology and chemistry, developmental biology, computational biology, and structural biology. Diverse research programs that link the research center to the clinical setting include the Brain Tumor Center, Center for Cell Engineering, Experimental Therapeutics Center, Geoffrey Benne Cancer Research Center, and Metastasis Research Center.

The institute hosts a postdoctoral training program for physicians and biomedical scientists. Each year, the facility provides its Major Trends in Modern Cancer Research symposium to present its most recent research and educate the public about cancer research and treatment. The target audience is high school teachers and students. In 2008, about 460 students from sixty schools in the New York City area attended. The program is designed to promote student interest in scientific research in the hope that some students will become medical researchers.

Memorial Sloan-Kettering Cancer Center is the world's oldest, private, nonprofit organization for cancer treatment. The goal of this organization is to provide cancer patient care and education, as well as perform cancer research. *U.S. News and World Report* has given the center a first-place rating among medical facilities treating cancer in the United States.

The main campus of Memorial Sloan-Kettering Cancer Center is in the Upper East Side of Manhattan. In addition, there are five suburban branches, including three in Long Island, one in Westchester County, and one in Bernards Township, New Jersey. The center employs more than 9,000 people, with 128 of them dedicated to research at the Sloan-Kettering Institute. In 2008, Memorial Sloan-Kettering Cancer Center offered free cervical and breast cancer screening in Harlem through the Breast Examination Center of Harlem. The center's 2008 annual report documents that it received more than $1.82 billion in donations and pledges during the previous seven years, with philanthropic donations for 2008 totaling $315.4 million.

reorganized the Buick Motor Company and employed Sloan as the president at United Motors from 1916 to 1918. Sloan accepted half his salary in United Motors stock. He managed to attain net sales of $33,638,956 during his first year there. In 1918, United Motors merged with GM. Sloan became a vice president and a stockholder. Although he and Durant differed in management styles, many of Sloan's suggestions were accepted and implemented by Durant.

In 1918, GM launched an executive bonus plan. GM believed this plan would motivate its managers by rewarding them for running the company as if it were their own firm, enabling the company to decentralize operations. The plan rewarded a manager up to 12 percent of his net earnings. In 1962, some fourteen thousand employees received awards in cash and stock worth $94,102,089. In 1919, GM offered employees a savings and guaranteed investment plan in company stock, with payouts in five years. GM employees had more than $75 million credited to their accounts to draw on during the Great Depression. Sloan enjoyed healthy financial benefits as part of the executive management team.

When Durant left GM in 1923, Sloan became the president, chairman, and chief executive officer of the company until he retired in 1946. Business grew until the stock market crash, when GM stock dropped from $262 a share in 1929 to $8 a share in July, 1932. Sloan reorganized and redesigned GM. He attributed the company's success to its use of group management with decentralized operational units, centralized financial controls, product upgrades, and the introduction of new car models every year to meet the needs of consumers. Sloan's philosophy of corporate management contrasted with the philosophy of the Ford Motor Company, where management was centralized and the firm continued to release one basic car design, the Model-T. Within six years under Sloan's corporate management, GM became a leader in the automobile industry, with profits of more than $260 million and a rapid increase in the price of its stock.

With Sloan at the helm, GM became the largest corporation in the world, replacing Ford as the automobile market leader. GM marketed the Pontiac, Chevrolet, Buick, Oldsmobile, and Cadillac automobile brands, as well as GMC trucks. In 1962, GM had 600,000 employees and one million shareholders, with assets of $9.2 billion; at the end of the year, the firm had sales of $14.6 billion in sales and profits of $1.46 billion.

During his tenure as president of GM, Sloan demonstrated that business growth and progress could result in a healthy, competitive environment of free enterprise. He stated that he personally believed that competition was a way of life for his company. Sloan described himself as a substantial shareholder and one of the largest individual GM company shareholders. At one point, he held as much as 1 percent of the company's stock, a sizable share of his successful firm. *Fortune* magazine in 1957 included Sloan in its list of wealthy Americans, estimating his personal fortune to be between $200 and and $400 million. He owned a 235-foot yacht, the *Renée*, which he purchased for $1.25 million. In the early 1960's, when he wrote his book *My Years with General Motors*, he stated that most of his wealth had been donated to his charitable foundations for scientific research and education. Despite Sloan's generous philanthropy, at the age of ninety he had a personal bank account of a $250 million.

Legacy

Alfred P. Sloan believed in philanthropy. In 1934, he established the Alfred P. Sloan Foundation; three years later, he donated $10 million to the foundation in order to improve the quality of life in America through original research and education in technology, science, and economic performance. In the twenty-first century, the foundation provided grants for both scholars and practitioners who work to maintain the health and economic prosperity of the United States. Grant recipients have included thirty-eight Nobel Prize winners. In 1966, the foundation had assets of $305 million; in 2005, foundation assets had a market value of $1.5 billion.

Sloan joined GM executive Charles F. Kettering to establish the Sloan-Kettering Institute for cancer research with a donation of $4 million. Sloan also contributed freely to his alma mater, MIT, and the institute named its business school the Sloan School of Management in his honor. Sloan's book *My Years with General Motors* is required reading in many graduate-level business schools.

—*Marylane Wade Koch*

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See also: Giovanni Agnelli; Walter P. Chrysler; Chung Ju Yung; John F. Dodge; Harvey Firestone; Henry Ford; Soichiro Honda; André Michelin.

Donald Smith

Canadian fur trader, investor, and politician/statesman

Smith made his fortune from the Hudson's Bay Company and by investing in railroads. Elevated to the British peerage as the first Baron Strathcona and Mount Royal, he was one of the leading philanthropists of the early twentieth century.

Born: August 6, 1820; Forres, Scotland
Died: January 21, 1914; London, England
Also known as: Donald Alexander Smith; First Baron Strathcona and Mount Royal
Sources of wealth: Trade; railroads; investments
Bequeathal of wealth: Children; charity

Early Life

Donald Alexander Smith was born in Forres, Scotland, a town of about 3,500 inhabitants in the Morayshire district of the Scottish Highlands. Forres was the historic home of the Scottish kings; it may well have been the site of the murder of King Duncan in the story that was the basis for William Shakespeare's play *Macbeth* (pr. 1606, pb. 1623). Smith's father, Alexander Smith, worked as a merchant, and his mother, Barbara Stuart Smith, was from the Grant clan of highlanders.

Donald Smith was his parents' third child. He was educated at the Anderson Institution and the Forres Academy. At sixteen, he left school to apprentice with Robert Watson, the Forres town clerk. He also studied Scottish law from books.

First Ventures

Many of Canada's early pioneers were Scottish. Donald Smith's uncle, John Grant, became a trader and explorer in Canada, earning mention in author Washington Irving's *Astoria* (1836). With the support of Grant, Donald Smith sailed to Quebec in 1838 to take a position at £20 a year with the Hudson's Bay Company, one of the oldest joint-stock companies in the world, which was chartered in 1670. The company owned much of central Canada and dominated fur trading. For the next fifteen years, Smith worked at various Hudson's Bay stations along the St. Lawrence River, examining furs and accounting for them in the company's books. It was a difficult life, filled with mosquitoes, black flies, desolation, rivalry, danger, and the drudgery of handling furs and pelts.

On March 9, 1853, Smith married Isabella Hardisty. Her previous marriage was annulled, and her marriage to Smith took place under irregular circumstances, a lifelong source embarrassment for the couple. The following year, their only child, Margaret Charlotte, was born. In 1853, Smith was promoted to chief trader of Hudson's Bay Labrador district. Traders were paid in shares of company stock, as well as salary, and Smith began to accumulate Hudson Bay's stock. As chief trader, Smith managed the expansion of the company's commerce into salmon fishing and the sale of salmon, sealskins, and seal oil to England. In 1862, Smith was appointed chief factor, which made him responsible for the financial side of the company's business. As factor, Smith was entitled to about three-fifths of the share of the firm's trade, or about £500 a year. As Smith rose in the company ranks, he helped negotiate the transfer of much of the firm's land to the Canadian Confederation, created in 1867.

Mature Wealth

With the creation of the Canadian Dominion, Smith prominently entered upon the national stage as both a statesman and a businessman. From 1871 to 1880, he served in the Canadian parliament. His investments in railways began in 1873 with his purchase of depreciated bonds in the St. Paul, Minneapolis & Manitoba Railway. Eventually, he acquired one-fifth of the railway's stock. With the dividends he received, he steadily acquired shares in dozens of other railroad companies, and this stock would constitute the largest part of his immense fortune. Smith became one of the leading investors in the Canadian Pacific Railway, and for this reason he participated in a ceremony on November 7, 1885, in which he drove in the last spike needed to complete Canada's first transcontinental railroad. The ceremony was a moment of personal prestige for Smith and a triumph for the Canadian Dominion. The Canadian Pacific Railway was also a new source of wealth for Canada, as goods could now be shipped across the nation's vast expanses. Canada would benefit economically, and Smith would expand his personal fortune.

Smith was reelected to the Canadian parliament in 1887, and he served until 1896. In that year, he was appointed a Canadian high commissioner, representing the dominion in London. From 1889 to 1914, he was the governor of the Hudson's Bay Company, serving in effect as its chief operating officer. Having worked for the company for seventy years, accumulating shares of stock for most of that time, he had become the firm's largest shareholder. With the steady increase in the stock's value,

Railroads and Wealth

Every technological advance of the Industrial Revolution brought opportunities for the creation of great wealth, but perhaps no form of technology was as profitable as the railroad. The completion of railways across continents was the key component in advancing the growth of industry in the nineteenth century. Railroads united the wide expanses of the Americas, the markets of Europe, and the wilds of Asia. For the first time in history, perishable foodstuffs could be transported swiftly and securely overland; merchandise of all kinds could be moved inexpensively from one end of a nation to another. The railroads not only created markets for goods but also were the chief spur for other heavy industries. The iron and steel industries grew to meet the need for high-quality rails and railroad cars, and the coal mining industry expanded in order to power the locomotive.

Great fortunes were made in the railroads, both honestly and dishonestly, by entrepreneurs and by schemers, by men with vision and by men without heart. Writer Malcolm Gladwell describes the era of railway building in the 1860's and 1870's as the greatest opportunity to amass vast wealth in the history of humankind. Likewise, J. Bradford DeLong, a professor of economics at the University of California at Berkeley, calculates that among the twenty-one industrialists known as "robber barons" in nineteenth century America—the nation's first class of billionaires—thirteen made their fortunes from railroads. The railroad tycoons included the Big Four—Leland Stanford, Collis P. Huntington, Mark Hopkins, and Charles Crocker—as well as Jay Gould, Daniel Drew, James J. Hill, Edward H. Harriman, John Insley Blair, Anthony N. Brady, and Cornelius Vanderbilt. As a class, these men were admired and envied, but they were also hated by many for the sometimes scandalous manner in which they accumulated and spent their wealth. Canada also had its share of railroad barons in the nineteenth century, including Sir William Mackenzie, Sir Donald Mann, Sir Robert Gillespie Reid, Sir William Cornelius Van Horne, Sir Hugh Allan, and Donald Smith, first Baron Strathcona and Mount Royal.

On May 10, 1869, Leland Stanford hammered in the golden spike connecting the Central Pacific Railroad and the Union Pacific Railroad at Promontory Summit, Utah Territory. The installation of that spike completed a railroad that stretched from the East Coast to the West Coast of the United States. This transcontinental railroad would be the chief catalyst for the post-Civil War expansion of the Western United States. In Canada, Donald Smith, first baron Strathcona and Mount Royal, drove in the historic spike in Craigellachie, British Columbia, on November 7, 1885, uniting the two halves of the longest railroad in the world, stretching from one end of Canada to the other. The photograph of Smith driving in the Canadian Pacific Railway spike, surrounded by awe-struck railroad men, has been called the most famous photograph in Canadian history.

Smith had amassed a fortune in his shares alone, and his wealth was multiplied many times over by his investments in railways and other ventures.

In 1897, he received one of his greatest honors when he was elevated to the British peerage as the first baron Strathcona and Mount Royal. (Strathcona is a Gaelic version of Glencoe, a town in the Scottish Highlands.) He was now a respected person in Scotland, Canada, and England. Smith owned houses at 53 Cadogan Square and 28 Grosvenor Square in London. He was a member of the prestigious Athenaeum Club in the city's Pall Mall neighborhood. He also maintained homes in the English countryside, where he leased Knebworth Hall and owned Debden Hall in Essex. He owned the Silver Heights Estate in Manitoba, as well as a mansion on Dorchester Street in Montreal, which consisted of two adjoining residences and was filled with fine European paintings and Japanese antiques. In Scotland, he owned the Black Corries Estate in Glencoe, formerly belonging to the MacDonald Clan, and a mansion in the Scottish Hebrides.

Smith held shares in hundreds of Canadian and American railroads, insurance companies, hotels, manufacturing businesses, mining companies, and textile firms. He also owned shares in many newspapers, including the *Manitoba Free Press*, which he controlled for several years. He was the principal shareholder of the Bank of Montreal. He was the third-largest shareholder of the immensely wealthy but short-lived Northern Pacific Securities Company holding trust. He also owned thirty thousand of the one million common shares of the Anglo-Persian Oil Company, a firm he helped establish and for which he served as chairman in 1909. In addition to owning numerous Canadian and provincial bonds, Smith also held mortgages on hundreds of properties, for which he received interest of 5-7 percent annually. Smith also sat on numerous company boards of directors.

Smith's wife Isabella died on November 12, 1913, and he died two months later on January 21, 1914. Upon his death, his estate was valued at $28,867,635 Canadian. Smith had established trusts for his daughter and other descendants. During his life and in his will he bequeathed large gifts to the Trafalgar Institute, the Young Men's Christian Association (YMCA), King Edward's Hospital, the Sheffield Scientific School, St. John's College at Oxford University, the Royal Victoria College at McGill University, the Royal Victoria Hospital, Yale University, the University of Birmingham, and scholarships too numerous to mention. Smith also bequeathed funding for Lord Strathcona's Horse, a cavalry regiment that he personally recruited and financed in order to assist the British military during the Boer War. Smith's donations and bequests totaled £1,026,381, or $7,520,601 Canadian. This amount would exceed $1 billion in 2010 U.S. dollars, making Smith one of the leading philanthropists of the early twentieth century.

Legacy

Donald Smith initially made his fortune as a shareholder of Hudson's Bay Company and then increased his wealth several times over with his investments in railroads and a host of other companies. His seventy years at he Hudson's Bay Company are the longest tenure of any employee in the company's history. Several parks, cities, streets, buildings, and schools are named for him in both Canada and the United Kingdom, and the winner of a curling tournament, in which Canada and Scotland participate, is awarded the Strathcona Cup. His charitable donations are another significant part of his legacy, and as a philanthropist, Smith had few peers.

—*Howard Bromberg*

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See also: John Jacob Astor; James J. Hill.

JAMES SMITHSON
British chemist

Smithson, a British chemist who never visited the United States, nevertheless bequeathed a portion of his estate to establish a museum in Washington, D.C., which would eventually become the Smithsonian Institution.

Born: 1765; Paris, France
Died: June 27, 1829; Genoa, Kingdom of Sardinia (now in Italy)
Also known as: James Louis Macie (birth name)
Sources of wealth: Inheritance; investments
Bequeathal of wealth: Relatives; educational institution

EARLY LIFE

James Smithson (SMIHTH-suhn) was born in Paris, most likely in 1765, as James Lewis Macie, the illegitimate son of Hugh Smithson, who later became the first duke of Northumberland, and the widowed Elizabeth Keate Hungerford Macie, an ambitious woman whose first husband, John Macie, was dead when her son was born. The personal estate that John Macie left his wife formed part of the wealth she eventually left her son, although her constant litigation over her property decreased its value over the years. Her estate at probate was valued at less than £10,000. Smithson, who deeply felt the circumstances of his birth, successfully petitioned the Crown to take his father's name after his mother's death in 1800, a move he had contemplated for some time.

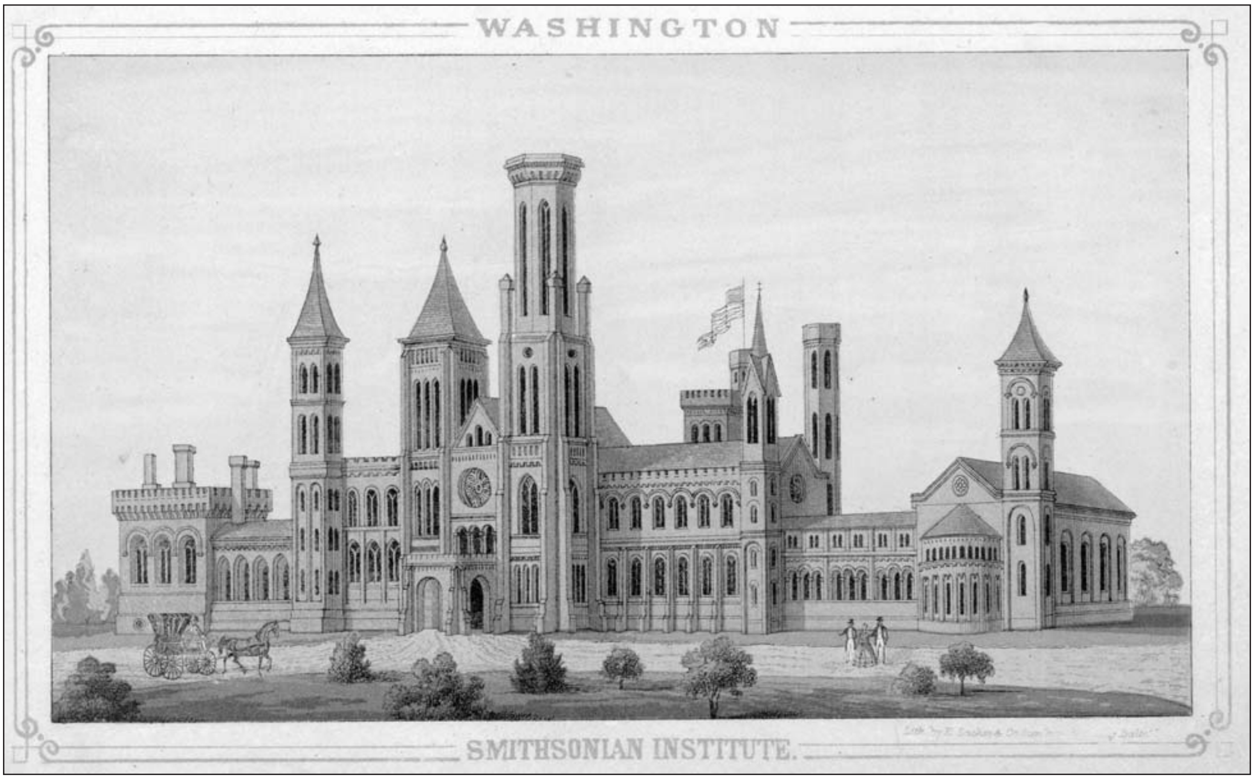
James Smithson. (Getty Images)

In 1782, Smithson entered Pembroke College, Oxford University. In 1784, he undertook his first scientific expedition, a geological tour that included visits to Oban, Staffa, and the Western Isles of Scotland, accompanied by two aeronautics experts, Barthélemy Faujas de Saint Fond and Count Paolo Andreani, where he recorded journal observations on mining and manufacturing processes. He received an honorary master of arts degree from Pembroke in May, 1786.

FIRST VENTURES

Smithson, who never married, was trained as a chemist, and much of his professional work was undertaken on the European continent against the turmoil of the French Revolution and the Napoleonic Wars. His life was essentially that of the bachelor scientist who spent considerable time in scientific research and exploration, notably in chemistry, mineralogy, and geology. During his life, he lived in cities as diverse as Berlin, Florence, Geneva, and Rome, where he spent much of his later years as his health worsened. His schooling and interests afforded him the opportunity to mix with many noted scientists who valued him for his chemical analyses of minerals, which he published in the Royal Society of London's *Philosophical Transactions* and later in the *Annals of Philosophy: Or, Magazine of Chemistry, Mineralogy, Mechanics, Natural History, Agriculture, and the Arts*, published by Thomas Thomson. Smithson's research included the chemical content of a lady's teardrop, the crystalline form of ice, and an improved method of making coffee, while his work and travels brought him into contact with all of the premier scientists of the period, including Sir Joseph Banks, Sir Humphry Davy, and Antoine-Laurent Lavoisier.

Smithson, along with many of his friends, was an active member of several organizations dedicated to advancing scientific research and using science to benefit society. He and his friend Henry Cavendish, a noted chemist and physicist, were fellows of the Royal Society of London, England's oldest and most prestigious scientific society, and charter members of the Royal Institution of Great Britain.



Smithsonian Institution in 1846. (Getty Images)

In 1802, Smithson overturned popular scientific opinion by proving that zinc carbonates were true carbonate minerals, not zinc oxides. One calamine, the mineral $ZnCO_3$, a type of zinc carbonate, was named smithsonite after him in 1832. Smithsonite was a principal source of zinc until the 1880's.

Mature Wealth

Smithson and his brother Henry Louis Dickinson, also fathered by the duke of Northumberland, inherited a considerable estate from their mother's family, but Smithson's real fortune came upon his mother's death in May, 1800. In July, he sold £13,350 of the Bank of England's 5 percent annuities and reinvested his proceeds in exchequer bills. This supplemented his own shrewd investments in relatively safe, blue-chip Bank of England investments, including the Bank of England's 3 and 5 percent annuities, India bonds, and others.

He now used his increased fortune to bankroll technological innovations that promoted the economic strength of England. One of his first and most successful investments was the Grand Junction Canal, which was constructed to ship goods from Birmingham to London and opened in 1801. The canal immediately showed a return on his investment, and Smithson continued to receive dividends from it for all of his life. He also received profits from the New Croydon Canal and from one of its biggest competitors, the Surrey Iron Railway, which carried goods from the Thames at Wandsworth south through Colliers Wood to Croydon. An 1801 act of Parliament made the Surrey Iron Railway the first railroad independent of a canal, and Smithson purchased several hundred pounds' worth of stock in order to fund the project.

It is not possible to gain a complete picture of Smithson's finances from the official bank records that remain, since in the late eighteenth and early nineteenth centuries, when Great Britain was engaged in many wars, investors did not confine their holdings to one place. Smithson's records at Hoare's Bank, and his subsequent account at Drummond's Bank, probably reflect only a small portion of his financial dealings, but they demonstrate his active interest in his portfolio. He took a small inheritance from his mother and, through a lifetime of shrewd investment and management, turned it into the fortune that he eventually bequeathed to the United States.

Smithson died in Genoa on June 27, 1829, after a long

The Smithsonian Institution

In 1826, James Smithson, a British scientist, drew up his last will and testament, naming his nephew as beneficiary. A contingency clause in the will stated that upon his nephew's death without children, the "whole of my property" should be allocated to establish an educational institution in Washington, D.C.

The motives behind Smithson's bequest remain mysterious. He never traveled to the United States and seems to have had no correspondence with anyone there. One reason for this benevolent act may have been a lifelong grudge against the condescension of the British nobility, especially against his father, who never recognized him. Smithson once commented that his name would "live in the memory of man when the titles of the Northumberlands and the Percys are extinct and forgotten." Others have suggested that the bequest reflected Smithson's interest in the Enlightenment ideals of democracy and universal education.

In 1835, six years after Smithson's death, President Andrew Jackson announced the bequest to Congress. On July 1, 1836, Congress accepted the legacy, and in September, 1838, Smithson's legacy, which amounted to more than 100,000 gold sovereigns, was delivered to the mint at Philadelphia. When the bequest was recoined in U.S. currency, the gift amounted to more than $500,000. However, Smithson's bequest was nearly lost as a result of fierce battles among many Americans, who argued over the acceptance of a gift from an Englishman. A surprising supporter was former president John Quincy Adams, whose travels with his diplomat father, former president John Adams, exposed him to the scientific establishments in Europe. Adams's knowledge, along with his tireless efforts, undoubtedly helped him sway Congress to accept the bequest.

After eight years of sometimes heated debate, an act of Congress was signed by President James K. Polk on August 10, 1846. This legislation, drafted by Congressman Robert Dale Owen, a Democrat from Indiana, a socialist, and the son of Robert Owen, the father of the cooperative movement, established the Smithsonian Institution as a trust to be administered by a board of regents and a secretary of the Smithsonian. The institution is functionally and legally an agency of the federal government.

The institution's first building, located on the National Mall and known as "the Castle," was built by architect James Renwick, Jr., and completed in 1855, but the Smithsonian soon outgrew its space. Although the Smithsonian's first secretary, Joseph Henry, wanted the institution to be a center for scientific research, it soon became the depository for various Washington and U.S. government collections, which, in turn, required their own display spaces. The second secretary, Spencer Baird, gave much attention to zoological and ethnological explorations.

In 2009, there were seventeen Smithsonian museums located in Washington, D.C., including the National Museum of African American History and Culture (scheduled to be built between 2012 and 2015) and the National Zoological Park. The National Gallery of Art is affiliated with the Smithsonian and is run by a separate charter. In New York City, there are two museums, including the Cooper-Hewitt National Design Museum, and in Virginia, there is the Steven F. Udvar-Hazy Center in Chantilly and the Smithsonian Naturalist Center in Leesburg. The institution's research function is supported by thirteen research centers, several affiliated with museums, including the Archives of American Art; the Smithsonian Astrophysical Observatory and the associated Harvard-Smithsonian Center for Astrophysics; the Marine Station at Fort Pierce, which is associated with the Natural History Museum; and the Migratory Bird Center, associated with the National Zoo and the Smithsonian Tropical Research Institute in Panama.

illness. He was buried in the English church there until the demolition of its cemetery in 1903. The next year, Smithsonian regent Alexander Graham Bell brought Smithson's remains to Washington, D.C., where they were interred in a tomb in the Smithsonian Institution's original building.

Legacy

Smithson's will contained one of the nineteenth century's greatest endowments. In this testament, written in his own hand and dated October, 23, 1826, Smithson left the bulk of his estate to his nephew, Henry James Hungerford. Upon his nephew's death without children, legitimate or illegitimate, a contingency clause stated that "the whole of my property," estimated at more than $500,000, would go to "the United States of America, to found at Washington, under the name of the Smithsonian Institution, an Establishment for the increase & diffusion of knowledge among men." Smithson's library, consisting of 115 titles, totaling about 250 individual volumes, survived a fire in the Smithsonian Institution in 1865. By the twenty-first century, the collection was part of the Smithsonian Institution Libraries.

Historians have long debated the reason behind

Smithson's bequest to a country he never visited. One repeated theory is that the donation was a chance to gain revenge against his father's family, and consequently the British nobility, for the circumstances of his birth. Smithson once swore that his name would live on in the memory of men when the titles of the Northumberlands and the Percys were extinct or forgotten, but at the time of his death, the Northumberlands were thriving. However, by taking the Smithson name, his father's name when he was a mere baronet from Yorkshire, Smithson highlighted his own illegitimacy in a period when name meant everything in British society. This pursuit of both name and property, the impetus for Smithson's lifelong search for a successful financial legacy, as well as his pursuit of knowledge as a chemist, the most exacting of all eighteenth century sciences, ensured that his own name added some luster to the family pantheon. This seems to be the most feasible reason for the establishment of a scientific institution, with the name Smithson, in the United States.

—*Martin J. Manning*

Further Reading

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See also: Henry Cavendish; Alfred I. du Pont; Irénée du Pont; Alfred Nobel.

Solomon

Israeli monarch

According to the Old Testament, or Hebrew Bible, Yahweh, the Hebrew god, granted Solomon an understanding heart, wisdom, and riches. However, Solomon strayed from Jewish laws, and his reign is an example of great riches lost through poor decisions and extravagance. He wrote the book of Ecclesiastes, which describes his realization that happiness and a meaningful life do not come through riches.

Born: c. 991 B.C.E.; Jerusalem, Israel
Died: c. 930 B.C.E.; Jerusalem, Israel
Sources of wealth: Inheritance; trade; slaveholding
Bequeathal of wealth: Children

Early Life

Solomon (SAHL-uh-muhn) was the son of King David of Israel. His father granted him the throne at the request of his mother Bathsheba, and at the age of twelve, Solomon superseded his firstborn brother Adonijah to become king. Solomon sought guidance to be the king. With a sacrifice on Gideon, a high place, Solomon dreamed that Yahweh (the Hebrew name for God) asked him what he wanted. Solomon responded that he desired an understanding heart to judge the people of his kingdom fairly. Yahweh was pleased with this mature and selfless answer, so he granted Solomon not only an understanding heart but also wisdom, riches, and honor like no other king of his time. The story of King Solomon is found in 1 Kings:1-11 in the Old Testament.

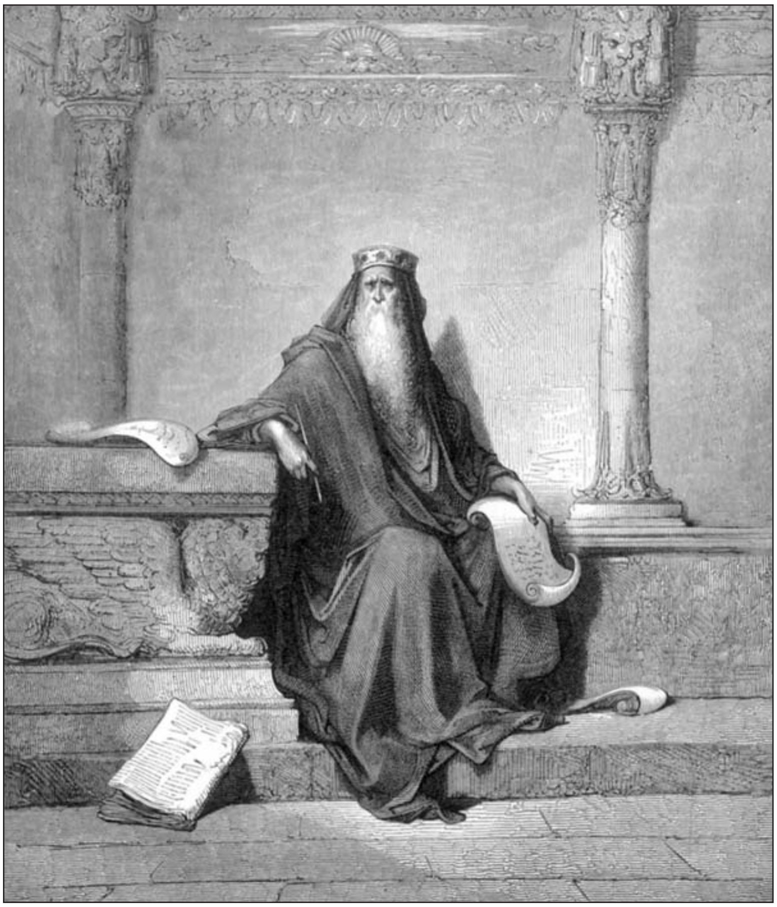
First Ventures

Solomon inherited the wealth of his father, King David. Because Solomon was the younger son of David, some thought it unfair that his older brother Adonijah was not chosen king. Unsuccessful schemes were devised to trick King Solomon into abdicating his throne, but he eliminated those who plotted against him. Solomon was wise in his knowledge of the Jewish Torah, as well as in the science of his time. He became known throughout the surrounding lands for his wisdom. People from other countries, including royalty, came to speak with him and received his advice. Many bought gifts of silver, gold, spices, horses, and weapons. His reputation spread as he became wealthier, securing even greater riches than his father King David had acquired. Solomon would write several books containing three thousand sayings, more than one thousand poems, and one thousand songs. His reign was the golden age of Israel, an era of peace and prosperity.

MATURE WEALTH

Solomon secured lucrative commercial relationships with strong countries near his kingdom, such as Tyre. His goal was peace and prosperity. His competitors, Egypt and Assyria, were weak. The geographic location of his nation supported trade paths from Egypt to Asia Minor, and ships transported the gold, ivory, and silver that Solomon desired. He secured a trading agreement with the queen of Sheba for chariots and horses. Solomon married the daughters of key nations' rulers in order to forge peaceful political alliances; he added Siamun, the daughter of Egypt's Pharaoh, to his harem.

Solomon's wealth could be measured by his possessions. His court required as many as 335 bushels of flour and 670 bushels of meal to be used in one day. The daily consumption of meat within his court included thirty oxen, one hundred sheep, and various fowl. Solomon also had seven hundred wives and three hundred concubines, representative of his wealth. He decorated his buildings, furniture, and tables with gold, and his bodyguards carried shields covered with gold. Solomon's throne was made of ivory and cloaked in gold. The six steps leading to his ornate throne were adorned with fourteen statues of lions. He boasted fourteen hundred chariots, four thousand stalls for his horses, and about twelve thousand horsemen for his army. His court included musicians, artists, and scholars.



King Solomon. (Getty Images)

Solomon demonstrated his wealth with his plan for buildings leading to the Temple of Jerusalem. The lowest building was used for government purposes; a slightly higher building was his home. He also built a royal palace for his queen. His chief lifetime achievement was to construct and furnish the sacred Temple of Jerusalem for Yahweh. King David planned the temple, but he could not build it because he had blood on his hands from waging war. The temple was constructed on the site where Abraham was called to sacrifice his only son, Isaac, but was stopped by Yahweh before the deed was done. This building, commonly called Solomon's Temple, took seven years to construct.

Over time, the income of Solomon's kingdom could not match his lavish lifestyle, so he resorted to heavy taxes and mandatory labor by the Israelites to support his wealth. History reports that he commanded ten thousand people to work for several weeks to a year in order to help with his building projects. His subjects became resentful.

Solomon made another critical error when by taking seven hundred wives and three hundred concubines. Moses warned the Hebrews in Deuteronomy

Solomon's Temple

Solomon's Temple was planned by King David years before his son Solomon became the king of Israel. King David was not permitted to build this temple because he had blood on his hands through his involvement in wars. David knew that Solomon would be a young and inexperienced king, so he prepared the temple plan and acquired the material resources needed to build this great religious institution. The building materials included stones, cedar timber, and iron for the nails of the gates. According to 1 Chronicles 22:44, David gave Solomon "a hundred thousand talents of gold, a million talents of silver, and bronze and iron beyond weighing and wood and stone."

Solomon initiated construction of the temple in his fourth year as king and finished it seven years later. The location was in Jerusalem on top of Mount Moriah, the place where many years earlier Abraham had submitted his will to that of Yahweh, the Hebrew god, to sacrifice his only son, Isaac. Prior to the slaughter, Yahweh stayed the hand of Abraham and spared Isaac's life. Although Solomon received building materials from his father, more were needed. The wood was cut from the cedars of Lebanon. Craftsmen came from neighboring Tyre to help. The labor force for this work included a total of seventy thousand men to quarry the stones, to carry the burdens, and to oversee the project.

The temple was rectangular, with the entrance on the east side. Its dimensions were about 180 feet long and 90 feet wide, with a ceiling about 50 feet high. The entire interior was covered with gold. Chains of gold divided two separate areas, the larger room that contained the Showbread Table, the Altar of Incense, and the menorah; and the inner sanctum, the Holy of Holies, where the Ark of the Covenant and the Ten Commandments were kept. The Holy of Holies was only accessed yearly by the high priest on the Day of Atonement. Two cherubim made from olive wood and overlaid with gold watched over this inner room. A porch was located at the front of the temple, with an area around the outside where people could gather. A description of Solomon's Temple is recorded in 1 Kings 6 of the Old Testament.

The purpose of the temple was to provide a place for the Ark of the Covenant and for communion between God and the Hebrew people. The temple would remind the Hebrews to worship Yahweh and to turn away from the idols found in surrounding cultures. This temple welcomed foreigners of all nations who wished to worship Yahweh, and the Israelites could make their burnt offerings and sacrifices to Yahweh. Four hundred years after its completion, Solomon's Temple was destroyed by the Babylonians. A second temple, rebuilt some seventy years later, was eventually destroyed by the Romans.

that a king should avoid too many wives or horses. Rashi, a medieval French rabbi who was an expert on the Torah, suggested that the number should be no more than eighteen wives in order to avoid distraction from the responsibilities of the kingdom. Solomon's father King David had only six wives. Some believe that Solomon may have thought he was too wise to succumb to the corruptive power of materialism and to the influence of his harem. He wed many of his wives in political marriages designed to align Israel with the leaders of foreign countries. Instead of turning to Yahweh, these wives brought their own idols and customs to Solomon's court. In 1 Kings 11, Yahweh expressed his disappointment by telling Solomon that He would honor his father, King David, by allowing Solomon to keep his kingdom until his death. However, Solomon's son, Rehoboam, would receive only a portion of the kingdom.

Solomon wrote the book of Ecclesiastes. In this book he expressed his discontent with his life, including his many wives and concubines and all of his material accomplishments. He sought a meaning to his life that could not be purchased with riches. He explained that a human life is subject to various seasons before it ends. Solomon concludes this book and life search with this scripture in Ecclesiastes 12:13-14:

> The conclusion, when all has been heard, is: fear God and keep His commandments, because this applies to every person. For God will bring every act to judgment, everything which is hidden, whether it is good or evil.

Solomon, in all his glory and wealth, recognized that life was vain and empty without a relationship with Yahweh. He learned that riches and material wealth cannot bring happiness.

Solomon died around 930 B.C.E., although there is no description of how or where he died. At the time of his death, people were plotting to kill him, his country was in debt, his land was mortgaged to Tyre's leader Hiram, and his kingdom faced division without peace or prosperity under his son's rule.

Legacy

King Solomon left a painful legacy to his son Rehoboam and the nation of Israel. Solomon's poor choices, a lavish lifestyle, and debt in his later life led to his misery and Israel's discontent. The people's commitment to Yahweh was replaced with loyalty to the kingdom. Living standards for some increased in the prosperous times, while living standards for others decreased, leaving a gaping division between the poor and the rich. At Solomon's death, the northern tribes rejected Rehoboam as king and broke apart from the nation. The peaceful, consolidated nation of Israel was no more.

—*Marylane Wade Koch*

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See also: Croesus; Midas.

George Soros

American investor and philanthropist

Soros is not only an accomplished investor of great wealth but also a philosopher, the author of several books, and a major philanthropist, who has directed more than $6 billion toward charitable causes.

Born: August 12, 1930; Budapest, Hungary
Also known as: György Schwartz (birth name)
Sources of wealth: Investments; financial services
Bequeathal of wealth: Children; charity; political organization

Early Life

George Soros (SOH-rohs) was born György Schwartz in Budapest, Hungary, on August 12, 1930, the son of Tivadar Schwartz, a Hungarian Jew who wrote in Esperanto, an experimental world language. Tivadar (also known as Teodoro) had been a prisoner of war in Russia during World War I. Tivadar changed the family name to Soros in 1936 because of the anti-Semitism of the rising Nazi movement. In Hungarian, *soros* means "next in line," and in Esperanto it translates as "soaring."

Adolf Hitler's troops conquered Hungary in March, 1944, when George was thirteen. His father bribed a government official in the Ministry of Agriculture to take George in and pass him off as a son during the summer of 1944. In 1945, George survived house-to-house combat as the Soviet army moved eastward through Budapest.

After the war, Hungary was beset by rapid inflation, which became Soros's first opportunity to speculate in currencies. In 1947, Soros immigrated to Great Britain, defecting from Communist Hungary while attending a conference. He graduated from the London School of Economics in 1952, studying with philosopher Karl Raimund Popper, whose ideas on the nature of open societies shaped Soros for life. Soros was attracted to open societies by his experiences with both Nazism and Communism. To put himself through college, Soros supported himself with work as a railway porter and waiter.

First Ventures

Soros moved to New York City in 1956, where he joined F. M. Mayer, an arbitrage trading firm. After three years there he moved to Wertheim and Company, where he worked as a financial analyst until 1963. During the following decade he worked at the investment advisement firm of Arnhold and S. Bleichroeder, eventually becoming a vice president. In 1967, Soros started a hedge fund, Double Eagle, at this company. Chafing at the corporate restrictions placed upon his work, Soros resigned from Arnhold and S. Bleichroeder in 1973 and started his own investment fund, which eventually became the Quantum Fund.

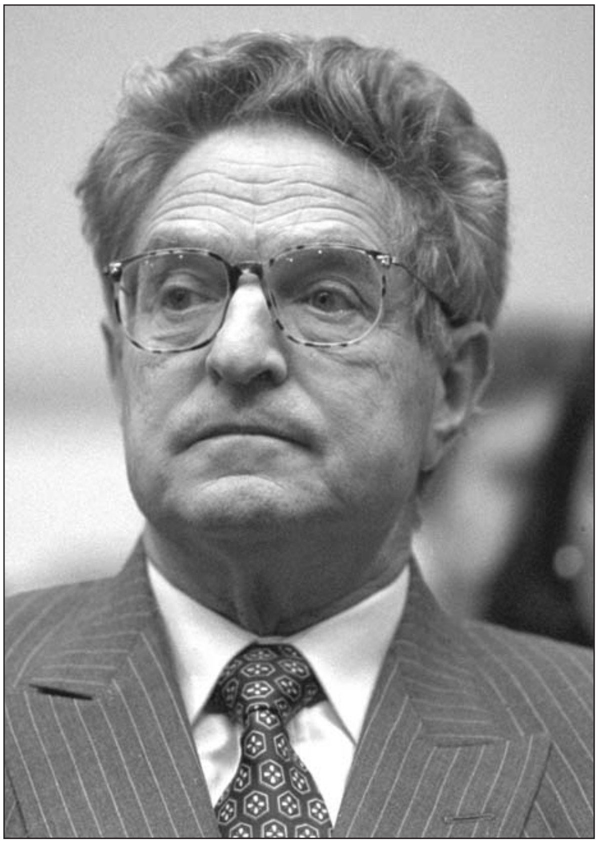
Initially, Soros's goal was to make enough money to support an independent career as an author and philosopher, which he believed would be about $500,000. Soon, however, Soros was earning much more than that. Returns on the capital he managed increased rapidly because he sold stocks short as markets fell when inflation and oil prices rose during several periods in the 1970's. Between 1969 and 1974, his fund tripled in value, while the stock market generally was stagnant. Between 1969 and the end of 1980, the Quantum Fund increased by 3,365 percent as the Standard & Poor's composite stock index rose only 47 percent. In 2007, the Quantum Fund earned Soros $2.9 billion, with an annual return of 32 percent.

MATURE WEALTH

Soros's acumen at currency speculation made headlines worldwide on September 16, 1992, or "Black Wednesday," when the British government withdrew the pound sterling from the European exchange rate mechanism as it crashed on world markets. Soros sold the pound short that day, making more than $1 billion.

The key to Soros's success as a speculator has been his ability to go against the majority of investors, staking his bets on unpopular assets and then selling out later when others buy en masse, thus driving up prices. Popper's philosophical outlook has heavily influenced Soros's worldview and investment strategy; the name of Soros's foundation, the Open Society Institute, is drawn from a two-volume work of Popper titled *The Open Society and Its Enemies*, first published in 1945. Soros has applied Popper's theory of "reflexivity" to economic bubbles, including the housing bubble that burst in 2007. Soros has contributed much of his enormous wealth to advocating the need for open societies around the world, encouraging democratic institutions in economic activities and tolerance of different political views.

Soros has earned some credit for being prescient regarding world economic conditions. He anticipated the global financial crash that began in 2007, criticizing the "bubble economy" created by overuse of exotic financial instruments, such as derivatives. Two of his books, *The Alchemy of Finance* (1987) and *The Crisis of Global Capitalism* (1998), sounded warnings that later books, including *The New Paradigm for Financial Markets* (2008), would analyze. He also freely acknowledges his mistakes, and he says he is rich because he knows when he is wrong.



George Soros. (AP/Wide World Photos)

LEGACY

Soros has not been shy about using his wealth for political purposes. During a South Asian monetary crisis in 1997, Malaysian prime minister Datuk Seri Mahathir bin Mohamad accused Soros of using the wealth under his control to punish the Association of Southeast Asian Nations for accepting Myanmar (Burma), with its brutal military junta, as a member. Soros contributed heavily to attain democracy in the former Soviet republic of Georgia, and in 2004 he supported the Democratic Party in its attempt to defeat the reelection of President George W. Bush. At that time, Soros said that removing Bush from office was the central purpose in his life; he added that he would spend his entire fortune if doing so would oust

Bush from the presidency. The Center for Responsive Politics reported that Soros spent $24.6 million in 2003 and 2004 to assist groups dedicated to defeating Bush. Soros has contributed significant amounts to left-wing political groups that generally support the Democratic Party in the United States, including $5 million to MoveOn; $3 million to the Center for American Progress; and $10 million to America Coming Together, a joint grant with friend Peter Lewis. Soros's Open Society Institute has supported decriminalizing possession of less than an ounce of marijuana and assisted suicide.

Soros is a board member of the Council on Foreign Relations and was a cofounder of the Center for American Progress. He has been granted honorary degrees from Oxford University, Corvinus University in Budapest, and Yale University, among others. He is twice divorced, from Annaliese Witschak and Susan Weber Soros, and has five children: Robert, Andrea, Jonathan, Alexander, and Gregory.

French courts in 2002 convicted Soros of insider trading after he purchased stakes in four state-owned companies. The conviction was upheld in 2006 by France's highest court. *Forbes* magazine in 2010 listed Soros as the thirty-fifth-wealthiest person in the world, with a net worth of about $14 billion.

—Bruce E. Johansen

The Open Society Institute

During the 1970's, with South Africa in the grip of apartheid. investor George Soros provided money to black students so they could enter the University of Cape Town. This probably was Soros's first act of philanthropy, and it bore the characteristics that distinguish his Open Society Institute: a worldwide reach, liberal principles, a dedication to educational purposes, and an emphasis on politics.

Soros created the Open Society Institute in 1993 to support his various foundations that seek to bring democratization to the former Soviet Union and to central and eastern Europe. By 2008, the institute had formed networks which promoted open societies in more than sixty countries. The institute grants about $400 million in an average year. By 2008, Soros had given away more than $6 billion through his institute and related foundations.

Soros's financial aid played a role in the collapse of Communist regimes in Eastern Europe during the late 1980's. He was a major contributor, at $3 million a year, to Poland's Solidarity labor union movement, which became a popular front for dissident activities. Soros also donated large amounts to Chapter 77, a resistance group in Czechoslovakia.

A sizable portion of Soros's charitable donations, more than $700 million, has gone toward combating poverty in Africa. The institute has given several million dollars to enable African villages to purchase nets that prevent the spread of malaria from mosquitoes. In addition, the institute has furnished fertilizer to restore depleted soils, medical treatment for people with human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), and school lunches in Africa.

Soros has also given $100 million for Internet infrastructure in Russian universities, and he provided an endowment of 420 million euros for Central European University. Included in its diverse interests, the institute has also contributed $5 million to support the creation of documentary films by Robert Redford's Sundance Institute.

Soros's activities have met with resistance from some governments. After the Soviet Union collapsed in 1991, his work was banned in Kazakhstan and Turkmenistan. His office in Belarus closed after that government fined him $3 million for "tax and currency violations." During June, 2009, Soros's foundations donated $100 million to address the effects of the economic collapse on the poor in central and eastern Europe.

Further Reading

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See also: Robert Bass; Warren Buffett; Bernard Cornfeld; Carl Icahn; Kirk Kerkorian.

Sir John Spencer

English aristocrat, merchant, and politician

Spencer was one of the wealthiest men in Elizabethan England. Although he is best remembered for being the lord mayor of London from 1594 to 1595, his greatest impact on history was probably his investment in the East India Trading Company, which remained a powerful organization until 1874.

Born: c. 1530; Suffolk, England
Died: March, 1610; London, England
Sources of wealth: Trade; investments
Bequeathal of wealth: Children

Early Life

Sir John Spencer (SPEHN-suhr), the son of Richard Spencer of Waldingfield in Suffolk, was born around 1530. Few records remain of Spencer's early life and family, although he had at least one sister, Alice Spencer. Sometime before 1544, Richard Spencer remarried to Alice Wincoll (or Wyncoll), who probably raised John. Young Spencer was apprenticed in London, presumably to a clothworker. Probably sometime in the 1570's, he married Alice, daughter of Thomas Bromfield of London. They had one surviving daughter, Elizabeth Spencer.

First Ventures

By the time Spencer joined the Clothworkers' Company in 1570, he was already a successful merchant in his thirties or forties. His trade in Spain included the importation of wine, raisins, oil, and iron, and he also traded in Turkey and Venice.

Spencer helped found the Spanish Company in 1577. The charter of the company granted broad rights, covering English trading activities along the Iberian coastline, as well as business in England. By the 1580's, the Spanish Company was effectively inactive because of the war between England and Spain and conflicts with other merchant companies.

Mature Wealth

With Sir Edward Osborne and Richard Staper, also clothworkers, Spencer pioneered trade in the Levant in the 1580's. Levantine spices, dyestuffs, and textiles were valuable commodities in England, and Spencer built much of his wealth in this trade through the 1590's. Spencer also invested in the 1591 voyage to India and China that led to the founding of the British East India Company. In 1599, Spencer was one of the leading investors in what became the British East India Company on December 31, 1600.

Although Spencer was not enthused about civic duties, he served as common councilor of London's Bishopsgate ward from 1576 through 1583 and as alderman for the wards of Bridge Without, Langbourn, and Bassishaw from 1583 through 1610. He was the sheriff of London from 1583 to 1584, and he is best remembered for his tenure as the city's lord mayor from 1594 through 1595.

Spencer was an unpopular lord mayor. The 1590's was a time of wartime taxation and rising prices, and Spencer's personality was abrasive. He was frequently at odds with other aldermen, known for favoritism, and his character was one of the grievances that spurred the apprentice riots of 1595. Despite Spencer's reputation for corruption and his loss of control of London during the riots, he was knighted between May 27 and June 13, 1595.

In addition to his interest in the British East India Company during the late 1590's, Spencer was occupied in preventing the marriage of his daughter Elizabeth to William Compton, first earl of Northampton. Spencer hid Elizabeth and claimed she had a premarriage contract with Sir Arthur Heveningham. Compton, however, had Spencer briefly committed to Fleet Prison, after which Elizabeth was removed from Spencer's care. She married Compton on March 15, 1599. Spencer saw Compton as a spendthrift fortune hunter, and even the birth of a grandson in 1601 did not lead to a reconciliation.

During his later years, Spencer expanded his ventures into moneylending. At his death in March, 1610, Spencer possessed between £300,000 and £800,000, a vast fortune at the time. He died intestate, so his fortune passed to his despised son-in-law Northampton via Elizabeth. Spencer's nephews alleged that Compton had suppressed the will, but nothing came of the allegations. Although there were no charitable bequests in Spencer's will, large sums were given to the poor at his funeral and it was rumored that the "suppressed will" contained £40,000 of bequests to poor relatives and charities.

Legacy

Spencer left a reputation for usury and avarice, perhaps only partially deserved. While his term as lord mayor was unsuccessful, he participated in several significant merchant ventures, most notably the founding of the British East India Company, an extremely powerful organization until 1874. His daughter Elizabeth was the forebear of the earls of Northampton, and Spencer's wealth went to that line.

—*Melissa A. Barton*

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See also: Bess of Hardwick; First Earl of Cork; Francis Drake; Sir Thomas Gresham; Sir Horatio Palavicino.

Steven Spielberg

American film director, film producer, and screenwriter

Spielberg is one of the wealthiest and most famous film directors, producers, and screenwriters in American film history. Throughout a career of more than forty years, his films have become interwoven within the world's artistic culture, breaking multiple box-office records in the process. In 2010, Spielberg's net worth was estimated at $3 billion.

Born: December 18, 1946; Cincinnati, Ohio
Also known as: Steven Allan Spielberg
Sources of wealth: Entertainment industry
Bequeathal of wealth: Spouse; children; charity; medical institution

Early Life

Steven Allan Spielberg (SPEEL-buhrg) was born in Cincinnati, Ohio, and grew up in Arizona, the son of computer engineer Arnold Spielberg and restaurateur and pianist Leah Adler. Growing up in the Jewish household, the lifelong film fan was given an amateur eight-millimeter camera, and Spielberg began filming a variety of scenes plucked straight out of his imagination, unknowingly laying the groundwork for future financial prosperity. In 1958, he made a short film entitled *The Last Gunfight*, which earned him a Boy Scout merit badge, and by age sixteen his first official film, *Firelight*, was written and completed. Upon high school graduation, he attended California State University, Long Beach, becoming an intern at Universal Studios and completing the short film *Amblin'* in 1968.

First Ventures

Spielberg's first major break came in 1969, when he was working on the pilot for the television show *Night Gallery*. As a result of this job, he directed an episode of the already established television program *The Name of the Game*. Spielberg continued to direct episodes of several television series, including *Colombo*, before directing made-for-television films, including the critically acclaimed *Duel* and *Something Evil*. His first film to be shown in theaters, *The Sugarland Express*, was released in 1974, and while it received rave reviews, it was considered a disappointment at the box office.

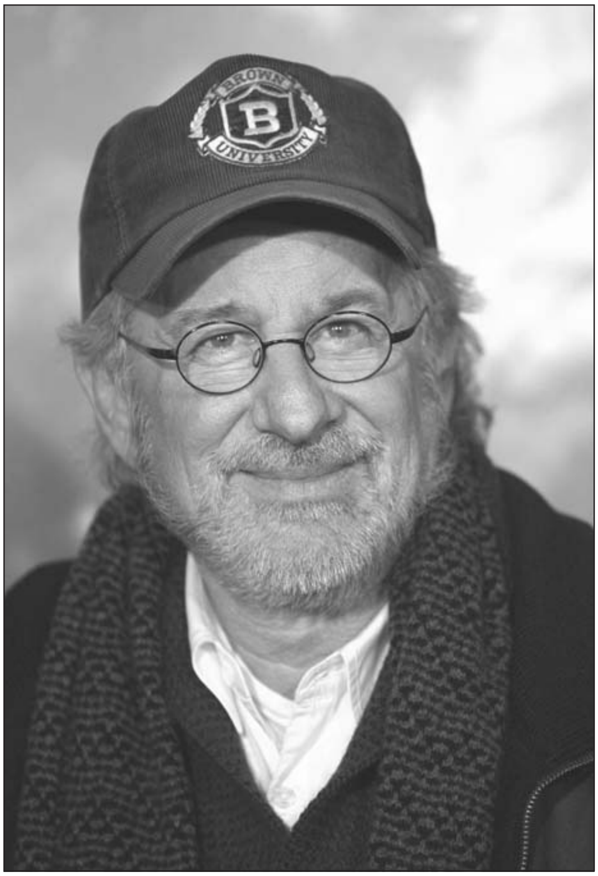
Undeterred, Spielberg scored a major motion-picture success with *Jaws*, based on the book by Peter Benchley. This horror film about a killer shark almost did not materialize, as the young director outspent his original budget and encountered numerous production delays. However, upon its release in 1975, the box office receipts more than made up for his overspending. *Jaws* grossed a surprising $470 million worldwide, which turned out to be the highest gross in film history at that time. The film also received three Academy Awards. As a result, Spielberg was instantly one of Hollywood's hottest commodities and became well known to film audiences worldwide. Most important, *Jaws*' sizable gross enabled Spielberg to have the financial freedom to explore more ambitious creative concepts, while simultaneously purchasing the most cutting-edge production equipment available at this time.

Mature Wealth

With the momentum behind the *Jaws* phenomenon, Spielberg found the confidence both to write and to direct his next major motion picture. *Close Encounters of the Third Kind*, released in 1977, was a science-fiction work that also found a widespread audience and critical acclaim, garnering $303 million at the box office and receiving two Academy Awards. Given that success, Spielberg continued to reach for deeper artistic affinities, but not everything he touched would turn to gold, such as the 1979 comedy film *1941*, which parodied the World War II era. Although a film grossing a little more than $92 million at the box office does not sound like a failure, *1941* was significantly less popular than his previous films and was met with critical indifference.

As a result of this financial letdown, the director returned his focus to mainstream audiences, rebounding to even greater heights when collaborating with *Star Wars* director George Lucas on *Raiders of the Lost Ark* in 1981. The action-packed production became the first in the iconic series of Indiana Jones films and grossed $384 million, far surpassing its $20 million budget.

Lightning was about to strike twice for Spielberg in 1982 with the release of *E.T.: The Extra-Terrestrial* about a lovable space alien that lands on Earth. Once again, Spielberg surpassed previous box-office records for his own films and even those for Lucas's *Star Wars*,



Steven Spielberg. (AP/Wide World Photos)

with *E.T.* grossing more than $792 million. Spielberg followed up with a combination of other science-fiction films and comedies, including *Poltergeist* and *The Goonies* (which, respectively, he produced and executive produced), throughout the mid-1980's. His next major breakthrough as a director came with another Lucas collaboration on *Indiana Jones and the Temple of Doom*, released in 1984 and earning $333 million.

Spielberg's films continued to do well at the box office, and as a result he was able to make some films that lacked a mainstream, commercial appeal. *Gremlins* (1984), which he executive produced, is often described as a dark comedy. This film earned a little more than $148 million from its theatrical release in the United States. Although by no means a failure, it was certainly a departure from and less popular than his more mainstream films of previous years. He took another risk in 1985, when he directed *The Color Purple*, based on Alice Walker's book of the same name. Oprah Winfrey was virtually unknown at the time, and this film introduced her to the public alongside the already established actor Whoopi Goldberg. This dramatic tale was vastly different from Spielberg's previous science-fiction, comedy, and adventure titles, and it became a critical favorite. The film cost about $15 million to make, and it earned $98 million.

In 1989, *Indiana Jones and the Last Crusade* was released and grossed $474 million. In 1991, Spielberg turned toward the Peter Pan story in *Hook*, which was plagued with costly production delays and lukewarm critical reaction but still reeled in $300 million. However, Spielberg returned to the top of his form with his direction of *Jurassic Park* (1993), based on Michael Crichton's novel. Spielberg used some of his past profits to purchase state-of-the art special effects programs that enabled dinosaurs to be reimagined for the audience. The film earned more than $914 million, becoming the highest-grossing motion picture to date. *Jurassic Park* also sparked tremendous interest and occasional controversy from the scientific community during a period when rapid advances in genetic engineering were prompting ongoing bioethical debates.

Spielberg's next film was the Academy Award-winning *Schindler's List* (1993), which recounted the true story of Oskar Schindler, a German businessman who became an unlikely savior of a group of Jews during the Holocaust. After the film grossed $321 million, Spielberg established a charity, the Survivors of the Shoah Visual History Foundation, which works to preserve the legacy of those who survived the Holocaust.

With a slower production schedule than he had in the 1980's, Spielberg became involved in other aspects of filmmaking in the 1990's. He established the film studio DreamWorks SKG in 1994 with colleagues Jeffrey Katzenberg and David Geffen, with each man contributing $33 million to the project, along with $500 million from Microsoft cofounder Paul Allen. In 1997, the sequel to *Jurassic Park*, *The Lost World: Jurassic Park*, had grossed $618 million, while *Saving Private Ryan*, a World War II drama released in 1998, earned more than $481 million.

After that successful streak of films, Spielberg began producing television series, including the ten-episode miniseries *Band of Brothers*, which aired on Home Box Office (HBO) in 2001. He also made the theatrical film *War of the Worlds* (2005), which grossed more than $591 million. In 2008, Spielberg returned to the action/adventure genre with the long-awaited fourth title in the Indiana Jones series, *Indiana Jones and the Kingdom of the Crystal Skull*. This film was released to overwhelming fanfare and generated more than $785 million, proving that Spielberg was still able to create commercial blockbusters.

Legacy

As a result of his drive, determination, and creativity, Steven Spielberg has become one of the film industry's most lauded luminaries, known for di-

The Starlight Starbright Children's Foundation

Steven Spielberg has used his star power not only to make major motion pictures but also to contribute to a variety of charitable organizations. In 1991, he and Randy Aduana established the Starbright Foundation, which sought to inspire sick children through entertainment and education. Although the foundation operated on its own for more than a decade, in 2002 Starbright merged with the Starlight Foundation, which was founded in 1983 by actor Emma Samms and film producer Peter Samuelson.

Now known as the Starlight Starbright Children's Foundation, the nonprofit organization is dedicated to improving the quality of life for children with chronic, terminal, and life-altering diseases and injuries. The organization not only seeks to provide entertainment to ailing children but also offers educational activities and advice to help their families cope with the childrens' conditions. The list of the foundation's initiatives is as varied as Spielberg's films. The organization provides family outings away from the hospital in order to combat the childrens' feelings of isolation and to reengage the children with the joys of popular culture. For the times when children must remain in the hospital, the Starlight Starbright offers access to various films and musical programs, along with educational materials and ways to stay connected with their peers.

The foundation offers online communities and interactive Web sites geared toward teenage patients who are coping with a severe medical condition. For younger patients, the organization provides toys and special events in hospital playrooms that serve as alternatives to often painful medical procedures.

In addition to Spielberg, numerous other celebrities contribute to the foundation, and the organization also receives support from the Walt Disney Company, Nintendo, Hollywood Video, and Game Crazy. Several corporate donors and fundraising efforts help fuel the foundation's efforts, while the organization has received several grants that help it bring its programs and resources to children.

recting and producing profitable blockbusters as well as less commercial projects. He continued to shatter his own records at the box office, while evolving with the times and setting new artistic trends.

Along the way, he has amassed a rarely rivaled amount of wealth that continues to provide sizable budgets for his feature films and to be a source of charitable contributions. Outside the film industry, Spielberg remains committed to recognizing his ethnic heritage as a Jew and to reaching out to the less fortunate, particularly ailing children. All the while, he continues to come up with concepts for new products, releasing new films and television programs that are met with tremendous anticipation and financial success.

—*Andy Argyrakis*

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See also: Paul Allen; Richard Branson; Mark Cuban; Walt Disney; David Geffen; Robert L. Johnson; Sumner Redstone; Oprah Winfrey.

Claus Spreckels

American industrialist and landowner

Virtually every enterprise Spreckels touched made a profit, thanks to his hard work, imagination, and ruthless business tactics. An early pioneer of vertical integration, Spreckels built an industrial empire by controlling every aspect of sugar manufacture, from growing and transporting the raw material to refining the finished product.

Born: July 9, 1828; Lamstedt, Hanover (now in Germany)
Died: December 26, 1908; San Francisco, California
Also known as: Adolph Claus J. Spreckels; The Sugar King
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Relatives; charity

Early Life

Adolph Claus J. Spreckels, less formally known as Claus Spreckels (klows SPREHK-ehlz), was the eldest of six children born to German peasants Diedrich and Garinna Spreckels. At the age of eighteen, he arrived almost penniless in Charleston, South Carolina, where he went to work as a grocery store clerk; within three years he owned the store. In 1852, Spreckels married his childhood sweetheart, Anna Christina Mangels, who had come to the United States three years earlier. The couple had thirteen children, five of whom survived, and three sons, John, Adolph, and Rudolph, would later join their father's businesses.

First Ventures

In 1855, Spreckels sold his store and moved with his family to New York City, where he opened successful wholesale and retail grocery operations. Following a brother west, he moved the next year to San Francisco and set up a new grocery outlet that made tremendous profits selling foodstuffs to gold rush prospectors. In 1857, he expanded his business, founding the Albany Brewery, another success.

By the early 1860's, Claus was looking for new

Claus Spreckels. (Getty Images)

worlds to conquer. He sold the grocery and brewery and used the proceeds to open the Bay Sugar Refining Company in 1863. The company refined Hawaiian sugarcane. However, shipping the raw product cut deeply into his profits, so for two years he studied modern manufacturing techniques in Europe to improve the company's efficiency. Back on the West Coast in 1867, he built the California Sugar Refinery. By the early 1870's, he had invented a new method of making sugar and secured a virtual monopoly on the commodity in the West, producing fifty million pounds of refined sugar annually.

Mature Wealth

Beginning in the 1870's, Spreckels refined tons of sugar and improved his business tactics. He went to Hawaii, the source of the material for his product. Here he ingratiated himself with King David Kalakaua, giving him gifts and granting him loans that put the king in debt and made him ripe for political manipulation. Spreckels set up the islands' largest sugarcane plantation, more than forty thousand acres, and he built an elaborate irrigation system to water his crops. To control transportation costs, he established the Oceanic Steamship Company between Hawaii and San Francisco. To ship cane to his refineries, he built narrow-gauge railroads, which would later carry passengers and serve local cattle feedlots.

Spreckels constantly added to his empire, building the West Coast's largest refinery, buying newspapers in Hawaii and San Francisco, and, when Hawaiian politics turned against him, purchasing large tracts of land in California to grow sugar beets for his refineries. In the late 1880's, he built a refinery in Philadelphia in order to compete on the East Coast. In 1899, his new plant near Salinas, California, the world's largest, began producing three thousand tons of refined sugar per day.

At the height of his career, Spreckels operated fifty companies worth more than $60 million. In his heyday, Spreckels was an important and respected member of San Francisco society. He owned two magnificent mansions in the community, built the city's tallest skyscraper, and gave generously to numerous charities.

Legacy

Following Spreckels's death, his eldest son John D. took over the *San Francisco Call* newspaper and the family steamship line and later became a major developer of San Diego. His second son, Adolph, managed the sugar businesses before dying of syphilis. Another son, Rudolph, became a banker who was worth millions of dollars before he lost his money in the 1929 stock market crash.

Although Spreckels's heirs ultimately sold off the family businesses, many traces of Claus Spreckels's empire remain. The Spreckels Building stands in San Francisco. The former company town of Spreckels, California, still exists, as does the Spreckels Sugar Company, which in 2010 was owned by a Minnesota cooperative.

—*Jack Ewing*

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See also: Miguel de Aldama; Jorge Wolney Atalla; Manuel Calvo; Federico Cornaro; John D. Spreckels.

John D. Spreckels

American businessman and real estate investor

The son of a sugar magnate, Spreckels acquired a fleet of ships that opened up American trade with Hawaii, New Zealand, and Australia. More important, he used his wealth to develop the city of San Diego, California.

Born: August 16, 1853; Charleston, South Carolina
Died: June 7, 1926; San Diego, California
Also known as: John Diedrich Spreckels
Sources of wealth: Inheritance; manufacturing; shipping; real estate
Bequeathal of wealth: Unknown

Early Life

John Diedrich Spreckels (SPREHK-ehlz) was the first of five children born to Claus and Anna Christina Mangels Spreckels. He was born in Charleston, South Carolina, and the family later moved to New York and then to San Francisco. A decade after John's birth, Claus Spreckels opened a sugar-refining company, and his subsequent involvement in the sugar business would make him a very wealthy man.

Young Spreckels attended public school in San Francisco and Oakland College, a preparatory school, before studying chemistry and engineering at Polytechnic University in Hanover, Germany. When he returned to the United States, he began working in his father's sugar refinery as a common laborer. Within three years, Spreckels had worked in every department and was the superintendent of the plant. Soon he was training other superintendents for the firm's Hawaii plant. He married Lillie Siebein in October, 1877, and the couple had four children. They initially lived in Hawaii, where they started a new sugar plantation for Claus.

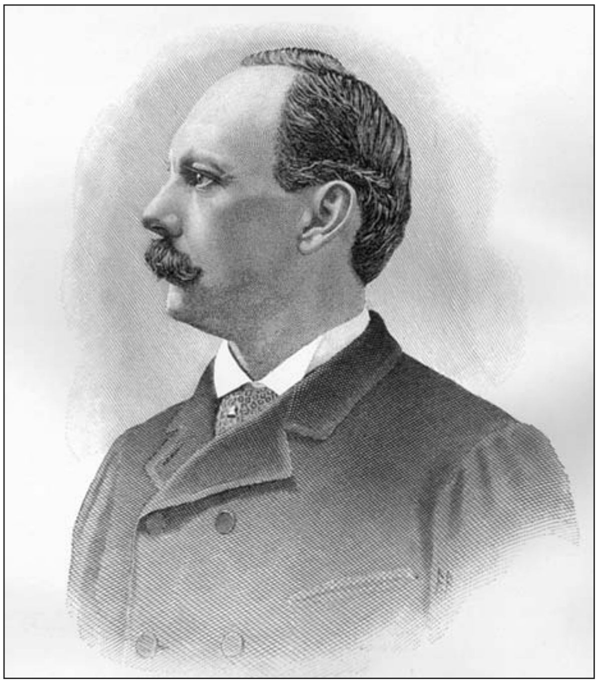
First Ventures

During his time in Hawaii, Spreckels began a shipping line with one leased ship. Later, he and his wife moved to San Francisco, where he continued to work with his father but also ventured into his own business. With his brother Adolph, he formed a company in order to open a trade route between the United States and Hawaii. This company eventually grew into two large fleets of ships connecting the United States with Hawaii, Australia, and New Zealand. Adolph and John became partners in several other ventures. They jointly owned the Beaver Hill Coal Company, which supplied coal to San Francisco from Oregon; the San Francisco and San Joaquin Valley Railway Company; the *San Francisco Call* newspaper; and extensive real estate holdings in San Francisco. Spreckels also was president of a railroad and several sugar companies in San Francisco and Hawaii. After the earthquake and fire in San Francisco in 1906, he moved his family to San Diego, California.

Mature Wealth

In 1887, Spreckels docked his yacht in the bay at San Diego for supplies. Whether he liked the beauty of the area or he saw the possibilities of a port city is unknown, but he spent the rest of his life building San Diego. He constructed a wharf where coal would be shipped in order to supply coal to the railroad. While Adolph stayed in San Francisco and kept the sugar, shipping, and other businesses operating and profitable, John obtained ownership of the Coronado Beach Company, the Hotel del Coronado, the San Diego and Coronado Ferry, and the streetcar lines. He later bought two San Diego newspapers, the *Union* and the *Evening Tribune*.

Investing in real estate was a continuing venture. Spreckels purchased property in downtown San Diego, where he built several buildings and hotels, and he also



John D. Spreckels. (Getty Images)

bought land outside the city. He built the San Diego and Arizona Railway to connect San Diego with the rest of the nation. Constructing this railroad was a difficult engineering project, and it was interrupted by World War I and other complications; completion of the line required thirteen years and $18 million of Spreckels's money.

Legacy

In his development of San Diego, Spreckels created a city where he had originally found only a village. He provided San Diego with a system for obtaining water, land developments where people could live, streetcars to transport people around town, companies to provide jobs, buildings to house businesses, and wharves for shipping. He also supplied the city with entertainment and culture, building a theater, library, park, and organ pavilion. The twenty-first century city of San Diego is the primary legacy of Spreckels's wealth.

—*C. Alton Hassell*

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See also: Claus Spreckels.

Jane Stanford

American philanthropist

As the wife of a successful businessman and politician, Jane Stanford used her influence and energy for philanthropy. Stanford University, founded by Stanford and her husband Leland, is now one of the most highly regarded research institutions in the world.

Born: August 25, 1828; Albany, New York
Died: February 28, 1905; Oahu, Hawaii
Also known as: Jane Eliza Lathrop Stanford; Jane Eliza Lathrop (birth name)
Source of wealth: Marriage
Bequeathal of wealth: Relatives; educational institution

Early Life

Jane Eliza Lathrop Stanford was born Jane Eliza Lathrop on August 25, 1828, in Albany, New York. Her parents were Dyer Lathrop, a successful merchant, and Jane Anne Shields Lathrop, the mother of seven children. The Lathrops were part of an influential family whose relatives would later include Presidents Franklin Roosevelt, George H. W. Bush, and George W. Bush. Jane attended the Female Academy in Albany in 1840 and 1841. In 1850, she married an attorney, Leland Stanford, and moved with him to Port Washington, Wisconsin, where he had set up his legal practice. After a fire destroyed Leland's legal library and home, he went into business with his brothers, who were merchants in California. He started small, with a mining store and an interest in a mine.

First Ventures

Stanford lived in her parents' home in Albany until her husband made a small fortune in mining and rejoined his wife in New York. In 1885, the couple settled in Sacramento, California, where Leland planned to expand his business interests and enter politics. In 1861, he was elected to one two-year term as governor, and he used his influence to support the proposed transcontinental railroad, in which he had a large financial stake. He made millions of dollars in the next decade as the cofounder and president of the Central Pacific Railroad, and he later was elected a U.S. senator. As California's First Lady, Jane Stanford became a popular hostess and a hardworking philanthropist. She founded kindergartens in the area of Palo Alto, California, and established an orphanage in Albany to commemorate her parents.

Mature Wealth

In 1868, the couple's only child, a son named Leland, Jr., was born. In 1884, while the family was on a tour of Europe, the child died of typhoid at the age of fifteen. To address their grief and to celebrate their child's love of learning, Leland and Jane Stanford established the Leland Stanford Junior University on their eight-thousand-acre estate in Palo Alto. The first classes were held in 1891, and Leland, Sr., died two years later, leaving Jane in charge of the family businesses and the university.

Jane undertook an aggressive expansion program, straining the university's budget, and her autocratic decision making, guided by advice from a spiritualist, led to the creation of national policies on academic freedom for faculty members. She also took over the management of the family's sixty-three-thousand-acre cattle and sheep ranch, making it profitable for the first time. She commissioned a large stained-glass window, designed by Louis Comfort Tiffany, for a Sacramento church in memory of her son. In 1897, she deeded her mansion and the artwork it contained to the university, reserving the right to live in the residence until she died. Under pressure, she gave up control of the university to the board of trustees in 1903. Her death in 1905 was dramatic and controversial. Although some biographies say she died of a heart attack, others agree with the coroner who examined her body that she was murdered, poisoned with strychnine in Hawaii.

Legacy

Stanford donated the bulk of her personal fortune, valued at some $15 million, to what is now the world-renowned Stanford University, and she later gave the school all of her husband's cattle ranches and horse breeding facilities. The university's early attention to the arts was a result of her influence and her generosity. However, her politically motivated firing of a sociology professor in 1901 ultimately led to the formation in 1915 of the American Association of University Professors, established to delineate and protect the rights of academics.

—*Cynthia A. Bily*

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See also: Angela Burdett-Coutts; Phoebe Apperson Hearst; Laura Spelman Rockefeller; Leland Stanford; Eleanor Elkins Widener.

Leland Stanford

American railroad magnate, politician, and landowner

Stanford was one of the foremost railroad magnates of the nineteenth century. He and his wife Jane established Stanford University in memory of their son and only child, Leland Stanford, Jr., who died at the age of fifteen.

Born: March 9, 1824; Watervliet, New York
Died: June 20, 1893; Palo Alto, California
Also known as: Amasa Leland Stanford
Sources of wealth: Railroads; real estate
Bequeathal of wealth: Spouse; relatives; educational institution

Early Life

Amasa Leland Stanford was born into a farming family in Watervliet, New York, a village on the Hudson River some twenty miles south of Troy. When he was twelve, the family moved to the Elm Grove Farm on the turnpike between Albany and Schenectady. In 1841, Stanford entered the Clinton Liberal Institute, opened ten years earlier by the Universalists as a protest against the narrow, conservative education then available to young students. In 1844, Stanford transferred to Cazenovia Seminary, a school near Syracuse, run by the Methodist church. Stanford spent a year there before leaving to read for the law in Albany.

First Ventures

By 1845, having passed the New York bar examination, Stanford had moved to Port Washington, Wisconsin, to practice law. In 1850, he was admitted to the Wisconsin bar. In the same year, he married Jane Eliza Lathrop of Albany, and they settled in Port Washington. Stanford entered politics in Wisconsin in 1850, when he was nominated as a Whig Party candidate for district attorney of Washington County. Although he was not elected, he ran successfully in 1851 for Port Washington's village trustee.

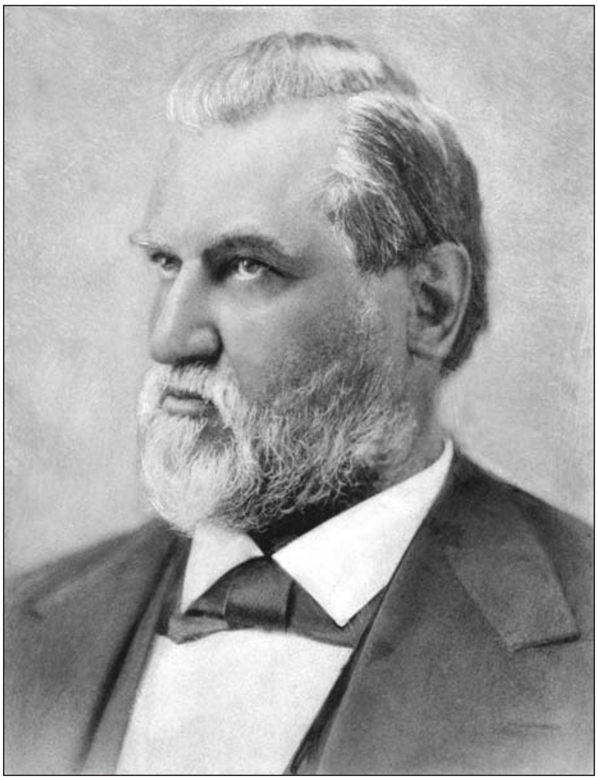
When fire destroyed much of Port Washington, Stanford, leaving Jane in Albany, sailed to California, where his brothers Josiah, Philip, and Thomas had begun to establish themselves.

He opened a store in Eldorado County to serve the growing population drawn to California by the gold rush of 1849. Stanford opened another store in 1853 in Michigan City, a gold rush town that had grown in one year from a population of thirty people into a community of two thousand, mostly prospectors. With this population boom, Stanford, who worked long hours and took no time off, was rapidly becoming rich.

Mature Wealth

The people who became rich as a result of the California gold rush were not the hopefuls who went into the field to pan for gold but the provisioners and the owners of boardinghouses that were quickly erected to feed and accommodate the prospectors pouring into the gold country. As soon as Stanford arrived in California in 1852, he became a provisioner and quickly gained the reputation of being exceptionally accommodating to the people he was serving, venturing into the field to take orders from them and to deliver supplies.

By 1856, Stanford owned four stores in the area of Sacramento, California. Money poured in as Stanford developed a reputation for being trustworthy. After his father-in-law died in 1855, Stanford returned to Albany to bring Jane, who had been caring for her father, to California. By 1856, having helped to organize the Republican Party in Sacramento, Stanford, working out of his new and expanded store on Front Street, was instrumental in persuading the Republicans to hold their state convention in Sacramento on April 30, 1856.



Leland Stanford. (The Granger Collection, New York)

In 1857, Stanford was nominated to be state treasurer but was defeated in the election. In 1859, he was nominated to be California's governor but was defeated. In 1860, undaunted by these two political setbacks, Stanford presided over the Republican convention in Sacramento that ratified the nomination of Abraham Lincoln as president of the United States.

Following Lincoln's election, Stanford sailed to the East Coast to stake his claim to the federal patronage that resulted from his support of Lincoln. In June, 1861, the Sacramento Republican Committee nominated Stanford to be governor of California, a post to which he was elected in September. That same year, Stanford, along with Charles Crocker, Collis P. Huntington, and Mark Hopkins, who came to be known as the Big Four, invested $24,000 to establish the Central Pacific Railroad. Stanford was elected president of the railroad on June 28, 1861. The following year, Congress passed the Pacific Railroad Act, which chartered the Union Pacific Railroad to build the eastern end of a new transcontinental railroad. The Central Pacific was given the contract to build the western end of this line.

In the 1860's, Stanford bought a lavish house in San Francisco, marking the beginning of what became his vast property acquisitions on the San Francisco peninsula. He also purchased large tracts of farmland some thirty miles south of San Francisco that added considerably to his wealth and provided the acreage for the eventual construction of Stanford University.

Upon his inauguration as governor in January, 1862, Stanford, not yet forty, had been in California for less than a decade. After serving his two-year term as governor, Stanford did not seek reelection. As his governorship neared its end in 1863, he was much engaged with the Central Pacific Railroad, which was now laying track for the transcontinental railroad. In 1869, the Central Pacific and Union Pacific rail lines merged.

Stanford's range of interests was enormous. In 1870, he bought his first racehorse and the following year began to experiment with winemaking, using his farmland near Palo Alto, California, as the venue in which to explore these interests. Stanford's involvement with transportation was a central part of his life, and in 1874 he helped to organize the Occidental and Oriental Steamship Company, of which he became president.

STANFORD UNIVERSITY

With the birth of Leland Stanford, Jr., in 1868, his middle-aged parents, Jane and Leland Stanford, were able to face life with renewed enthusiasm and hope. Their son, bright and inquisitive, grew up to become interested in antiquities and archaeology. The Stanfords, applauding their son's intellectual enthusiasms, took him abroad where he could pursue his interests. When Leland, Jr., died in Florence, Italy, just short of his sixteenth birthday, his distraught parents were disconsolate.

Several years before his son's death, Leland Stanford had contemplated establishing a school, although he had no detailed plans for doing so. As president of the Central Pacific Railroad, he had observed the damage that ill-trained railway engineers could cause. He considered establishing a school to train engineers who would be valuable to the nation's rapidly expanding railroad network.

Following the death of his son, Stanford discussed his thoughts about establishing a university with Harvard University's president, Charles William Eliot. Before the Stanfords left Europe in late April, 1884, Leland executed a new will. It provided money to create a university in his son's memory that would provide a first-rate education for promising students. This action stemmed from a troubled dream Stanford had about his son on the night of the boy's death, in which Leland, Jr., appeared to his father seeking to comfort him and showing Stanford that he still had a purpose in life. In the dream, young Stanford urged his father to build a university for poor young men and to live for humanity.

Stanford had acquired large parcels of farmland in and around Palo Alto, California. The Stanfords engaged Frederick Law Olmsted and some other notable architects to develop detailed plans for their proposed university. On May 14, 1887, their son's nineteenth birthday, they laid the cornerstone for this school on their Palo Alto farm. Stanford was elected to the U.S. Senate in 1885, and his frequent absences from California to serve in the senate delayed the founding of his university. By early 1891, however, the school, then named Leland Stanford Junior University, enrolled its first class of students.

The Stanfords set about finding a president for the university. They met with Andrew Dickson White, president of Cornell University, and offered him the position. White declined but suggested that his former student, David Starr Jordan, president of Indiana University, possessed the qualities of intellect and business acumen that the Stanfords sought in a president. Jordan was offered the position, and he accepted immediately. However, Jordan had one caveat: In the founding grant for the university, it was clearly stated that the school would be conducted according to the wishes of its sole trustee, who initially was Leland Stanford. Upon Leland's death in 1893, Jane Stanford became sole trustee, and her ten-year term was often a source of Jordan's displeasure.

The greatest trial in Stanford's life came in 1884, when his beloved son, Leland, Jr., died. The heartbroken Stanford, who two years earlier had been appointed to the board of regents of the University of California, had long harbored the idea of establishing a university. Upon his son's death, he conferred with Harvard University's president, Charles William Eliot, about this desire.

Stanford soon settled on building his university south of San Francisco. The cost of doing so was estimated to be between $2 and $3 million. When he mentioned these sums to his wife, she said, "We can afford it." In 1885 Stanford was elected to the U.S. Senate, and he held his senate seat until his death in 1893. The pressures of serving as senator delayed the founding of Stanford University, but the cornerstone was laid in 1887 and the school enrolled its first students in 1891.

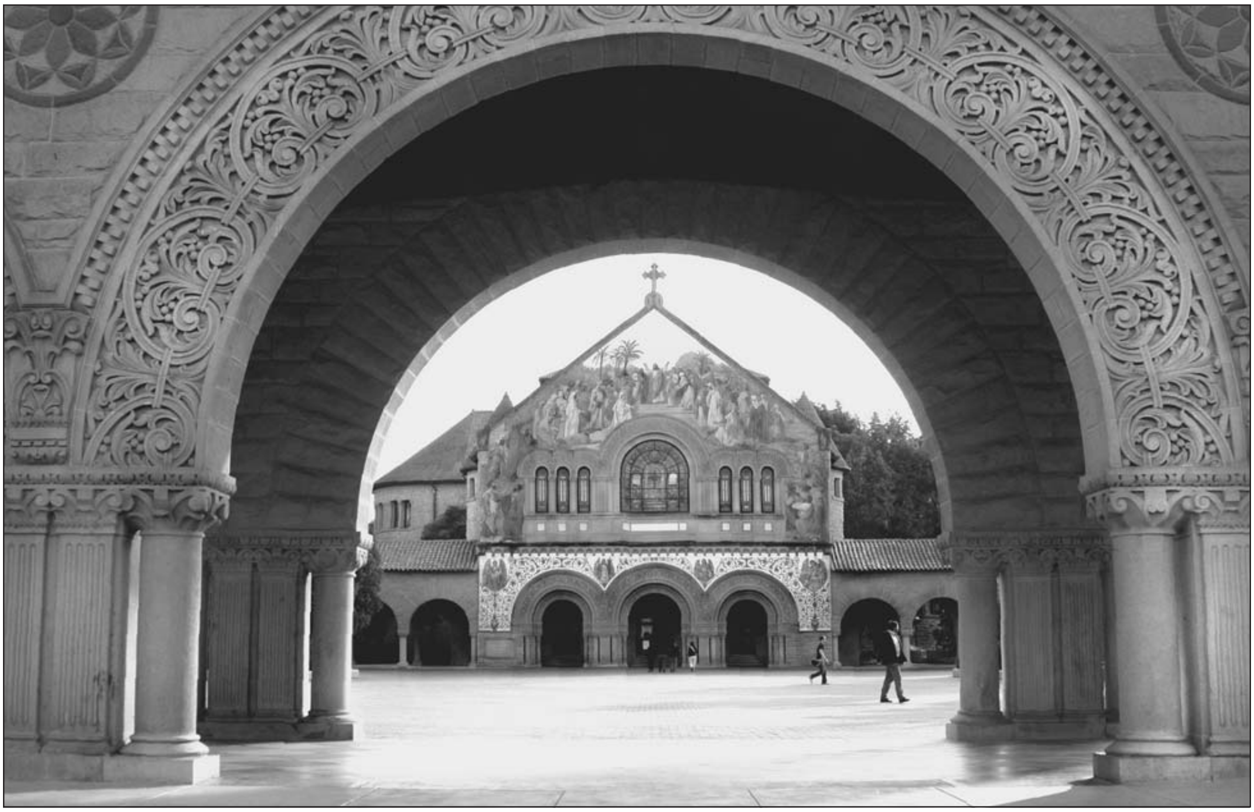
LEGACY

Leland Stanford's wealth had been variously estimated at between $50 and $100 million dollars. When his estate was evaluated, however, its value was placed at around $18 million, the total reduced by the generous contributions that he and his wife Jane made to educational endeavors throughout their lives. Most of Stanford's estate was left to Jane, although bequests were made to several relatives and to some of the Stanford's servants, including Leland's assistant Herbert C. Nash.

Stanford is remembered as an early governor of California, as a major force in establishing a transcontinental railroad, as a skillful entrepreneur, and as a wealthy landholder in the San Francisco area. His most notable legacy, however, was the establishment of Stanford University.

Stanford and his wife not only furnished the funds to create the university but also provided the hundreds of acres of land on which the campus was built. Stanford University quickly evolved into one of a handful of truly outstanding world universities.

—R. Baird Shuman



The Stanford University arch. (©Graham Prentice/Dreamstime.com)

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See also: John Insley Blair; Jay Cooke; Charles Crocker; John W. Garrett; Jay Gould; Edward H. Harriman; James J. Hill; Mark Hopkins; Collis P. Huntington; Daniel Willis James; George Mortimer Pullman; Russell Sage; Jane Stanford; William Thaw; William Thaw; Cornelius Vanderbilt; William Henry Vanderbilt.

Cornelius Vander Starr

American insurance executive

With broad vision and an international sensibility, Starr pioneered the expansion of the insurance industry to untapped markets in China, enabling him and others to introduce Western business practices to the massive East Asian markets. Under his leadership, the American International Group (AIG) became the largest insurance company in the world.

Born: October 15, 1892; Fort Bragg, California
Died: December 20, 1968; New York, New York
Source of wealth: Insurance
Bequeathal of wealth: Relatives; charity

Early Life

Cornelius Vander Starr (kor-NEE-lee-uhs VAHN-duhr stahr) was born in 1892 in Fort Bragg, a tiny, picturesque town along the Pacific coast in northern California. His father was a first-generation Dutch emigrant who worked as a railroad engineer. After his father died when Starr was two, Starr was raised by his mother on the income from a modest boardinghouse she ran. Early on, Starr was taught the impact of unexpected death and the importance of managing income in unforeseen circumstances—the foundations for success in the insurance field.

As a child, Starr was restless with small-town life. In 1910, with aspirations in excess of his resources, he enrolled at the University of California. He dropped out within the year and began his first business: running an ice cream parlor in Fort Bragg. It did well, but Starr was ambitious. He decided to venture into the real estate business, where he perceived that money could be made quickly.

However, he was subsequently introduced to the more lucrative and more financially secure insurance business. He moved to San Francisco, where he pursued a law degree at night and sold automobile insurance door-to-door during the day. In 1918, he passed the California bar exam and set up a small insurance business, but his heart was not in settling down. Eager for adventure, he enlisted in the U.S. Army in the waning months of World War I. However, the war drew to a close before he would see any action overseas.

First Ventures

Starr's brief stint in the army only piqued his frustrated sense of adventure. After his discharge, he joined the Pacific Mail Steamship Company, and in 1919 he arrived in Shanghai, China, to work as an office stenographer. Once there, he gravitated to several small-scale insurance outfits. He was convinced there was a viable market for insurance in China, which was rapidly introducing greatly improved hygiene practices and Western medical techniques provided by trained physicians. Starr believed these improvements in health care delivery would increase life expectancy, making the vast country a prime market for insurance.

In the same year he arrived in China, Starr founded the American Asiatic Underwriters, the first Western insurance agency in China. It represented five insurance brokers from the United States and specialized in marine disaster and fire insurance. Because he never learned the Chinese language, Starr surrounded himself with business-savvy locals who worked the neighborhoods of Shanghai with confidence and tact, thus creating a sense of trust among the Chinese, which other Western entrepreneurs struggled, most often unsuccessfully, to achieve. Starr's insurance business quickly thrived, and it expanded to become the Asia Life Insurance Company. His insurance agencies underwrote the development of both commercial and industrial facilities, becoming a dominant force in China's rapid industrialization between the two world wars. Instead of hiring employees from other countries, Starr staffed his offices with Chinese workers, teaching them Western business techniques and management skills.

Mature Wealth

In 1926, Starr expanded his operations to the United States, opening an office of the American International Underwriters in New York City. Although his American operations thrived, Starr was principally interested in his enterprises in China. By World War II, Starr's company was the dominant insurance broker in China.

The onset of World War II, however, radically changed the course of Starr's career. During the war, he was enjoined by the Office of Strategic Services (OSS), a precursor of the Central Intelligence Agency (CIA) that gathered covert intelligence about military operations through a clandestine web of informants, including businesspeople, such as Starr. Although the extent of Starr's actual intelligence work during the war has never been made public, he helped monitor the early days of the Chinese Communist movement and Mao Zedong's

Red Army, which was originally supplied arms and money from the United States as a valuable ally in the war against Japan. Ironically, after the war it was this same Communist army's takeover of mainland China that compelled Starr in 1949 to relocate the headquarters of his multibillion-dollar insurance conglomerate, now known as the American International Group (AIG), to New York City.

However, Starr never abandoned his zealous advocacy of providing Western-style insurance to the Far East. He began selling insurance in the Philippines shortly after the war, and within five years his Philippine American Life and General Insurance Company became the dominant insurer in that nation. The corporate growth of AIG made company reorganization a necessity. In the early 1950's, Starr directed the company to separate its domestic and international agencies, headquartering the domestic groups in New York and the international groups in Bermuda, which Starr's advisers regarded as politically stable and friendly to the West. During the next two decades, AIG continued to be a major force in the global insurance business.

Starr remained director of AIG, focusing his considerable energies on its expansion and its international reputation. He never married, never had a family, and, except for a love of skiing, was seldom not directing the business. At the height of his tenure, AIG expanded into Latin America, the Middle East, and Western Europe. By the early 1960's, it was the largest insurance company in the world.

Now among the wealthiest financiers in the world, Starr became increasingly interested in using that wealth to promote the gospel message he held most dearly: the unlimited potential of the individual given the right opportunities and right resources. He had published a popular series of motivational books designed to encourage self-development. In 1955, Starr chartered the Starr Foundation, headquartered in New York City. The mission of the foundation, which shared many of its directors with AIG management staff, was to provide grant money for projects and research protocols aimed at offering solutions to a wide variety of pressing urban problems.

Nearing seventy, Starr accepted a diminished role in the direction of AIG's operations in 1962 and retired entirely in 1968, just months before his

THE STARR FOUNDATION

The mission statement of the charter for the foundation that Cornelius Vander Starr began in 1955 was appropriate for an insurance magnate who had spent the previous forty years redefining the dynamics of risk venture and risk management. The foundation recognized the value of initiative and taking risks, as well as the importance of managing risk to a positive result. The Starr Foundation defines an umbrella of concerns that are united by Starr's conception of the importance of risk and how an ingenious individual (or a commission or a research team) can conceive of solutions to pressing problems only by taking a chance on investigating solutions that were previously ignored or dismissed.

The majority of the foundation's grants are awarded to projects in the Manhattan area of New York City. The organization encourages projects in six areas. In education, the foundation provides need-based scholarships and student exchange programs. In the area of medicine and health research, the organization offers grants designed to help New York City hospitals serve the underprivileged. Human needs projects include literacy programs, job training, computer skills introduction, care of the elderly, housing for the disabled, and refugee relief. In the area of public policy, the foundation supports the work of commissions that investigate the adoption of democratic principles in countries in which individual freedoms have been contested or denied. The organization's culture and arts projects include financing for museums and community-based arts programs geared to particular groups of people, such as the disabled, minorities, or children. Environmental initiatives include funding for research projects and committees that are actively involved in conservation, ecosystem management, and the preservation of irreplaceable wetlands in areas being developed.

Unlike many foundations with grandiose mission statements, the Starr Foundation thinks locally rather than globally, in specifics rather than generalities, and aims at solutions rather than recommendations. Cornelius Vander Starr combined the characteristics of pragmatism, business acumen, and risk taking. He encouraged his foundation to recognize the value of ideas and of tackling thorny and persistent problems, using the foundation's resources to achieve results.

In 2008, American Insurance Group (AIG), the insurance corporation that Starr founded, was embroiled in financial scandals that prompted concern about the solvency of the Starr Foundation. The stock and assets of AIG are inextricably bound with the foundation, which owned more than fifteen million shares of AIG stock. On May 8, 2009, the Starr Foundation sued AIG, claiming the insurer had misrepresented the foundation's exposure to billions of dollars of losses in AIG's portfolio of credit default swaps. The lawsuit, filed in the New York State Supreme Court, sought damages of $300 million for the alleged fraud. However, on November 17, 2009, the case was dismissed by a judge, who called the lawsuit a "waste of time."

death. At the time of his retirement, AIG, despite aggressive competition from dozens of firms that used Starr's model for corporate development, retained its dominant position in the insurance industry and was among the top ten largest corporations in the United States. When Starr died, his entire estate was given to his foundation, which in the twenty-first century was among the most successful endowments, with resources of almost $5 billion and annual distributions of slightly more than $200 million. Long after his death, Starr continued to hold near-legendary status in the insurance field for his bold initiatives overseas. He was posthumously inducted into the prestigious Insurance Hall of Fame in 1975.

Twenty years after Starr's death, AIG insured more than thirty million people in the United States alone, serviced more than 130 countries, and employed more than 120,000 people internationally. In 2008, AIG became entangled in the housing, banking, and credit collapse that led to the most severe economic downturn since the Great Depression. In September, 2008, the company obtained $85 billion in government assistance in order to maintain its operations—the largest government bailout of a private company in U.S. history. This bailout, combined with allegations of corporate wrongdoing and financial malfeasance, generated a firestorm of public protest over AIG's business practices. However, AIG's business operations remained largely intact, and the firm was still ranked among the top twenty companies in America—a monument to the solid business foundation Starr had set more than half a century earlier.

Legacy

Any assessment of Starr's fortunes must take into account his global vision. Born of his childhood restlessness and his love of the peripatetic life, Starr's international sensibility defined the importance of his threshold position in American economic history. Born at the close of the century that marked America's economic maturity and confidence, Starr was among the visionaries of the early twentieth century who brought American ingenuity and business savvy to the international arena. Starr's considerable financial stake in China and his years of covert operations during World War II have made both Starr and AIG the subject of conspiratorial theorists, who allege that there was government intrigue in Starr's operations and in subsequent ties between the government and AIG. What is indisputable, however, is that Starr's fortunes expressed America's move to become a global economic force in the twentieth century.

—*Joseph Dewey*

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See also: John D. MacArthur.

GEORGE STEINBRENNER

American shipbuilding magnate and baseball team owner

Steinbrenner's vast wealth enabled him to buy the New York Yankee baseball club and to become famous, not only for the team's success but also for his autocratic management style.

Born: July 4, 1930; Rocky River, Ohio
Died: July 13, 2010; Tampa, Florida
Also known as: George Michael Steinbrenner III; The Boss
Sources of wealth: Inheritance; shipping; sports franchise
Bequeathal of wealth: Charity

EARLY LIFE

George Michael Steinbrenner (STIHN-brehn-ehr) III was born on July 4, 1930, in Rocky River, Ohio, the first of three children born to Henry and Rita Steinbrenner. Henry Steinbrenner became a Great Lakes shipbuilding magnate by marrying the daughter of a shipping company owner. He was also a domineering father, who forced young George to wear a white shirt and tie to grade school, apparel that often elicited teasing from George's fellow students.

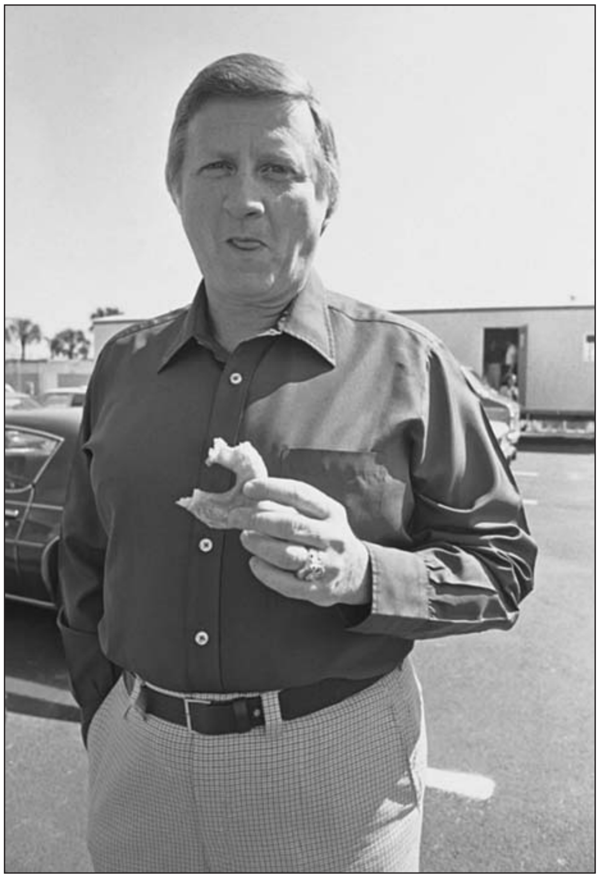
Most children of wealthy parents received lavish allowances. Henry gave his son chickens. George was expected to sell eggs to earn his spending money. The young entrepreneur called his egg business the George Company, and when he went away to school he sold the company to his younger sisters, Susan and Judy, who changed the name to the S and J Company. Steinbrenner would later say he got his toughness from his father and his empathy from his mother, a devout Christian Scientist. At age fourteen he was sent to the Culver Military Academy in Indiana, and from there to Williams College in Massachusetts.

FIRST VENTURES

Following college, Steinbrenner went into the U.S. Air Force as a second lieutenant in fulfillment of his Reserve Officers' Training Corps (ROTC) commitment. He was assigned to Lockbourne Air Force near Columbus, Ohio, and given the job of athletic director, overseeing baseball, basketball, and intermural events. His peers considered him aloof, in part because he did not drink and lacked social skills. His habit of flaunting his wealth also made him unpopular. However, he excelled at his job, perhaps a foreshadow of his later destiny. Even in the Air Force, Steinbrenner was driven to win, and for one tournament he switched professional ballplayers for a few of the airmen on his team. He later managed, and eventually bought, the Cleveland Pipers, a short-lived professional basketball team.

In 1956 he married Joan Zeig. The couple had four children; sons Hank and Hal, and daughters Jennifer and Jessica. Although on the brink of divorce in the early 1960's, the couple reconciled and celebrated their golden anniversary in 2006.

By 1957, Steinbrenner had joined his father at Kinsman Marine Transit, the family shipbuilding business. Not surprisingly, the two men clashed on a regular basis, and Henry sometimes fired his son and then reinstated him. The firings were a management ploy George himself would use throughout his volatile career. He was



George Steinbrenner during spring training in 1981. (AP/Wide World Photos)

Great Wealth and Sports

In the past, men and women of wealth who wanted to invest in a sporting endeavor bred and raced horses. In the late twentieth and twenty-first centuries, however, rich people are more likely to buy an athletic team. George Steinbrenner, the controversial owner of the New York Yankees from 1973 through 2007, was one of the first among the incredibly rich to purchase a professional sports franchise. Other purchasers have included Joan Kroc, who owned the San Diego Padres baseball team and whose husband, Ray Kroc, built the McDonald's Corporation; media mogul Ted Turner, owner of both the Atlanta Braves baseball franchise and the Atlanta Hawks basketball club; former president George W. Bush, who was a co-owner of the Texas Rangers baseball team; entrepreneur Mark Cuban, owner of the Dallas Mavericks basketball franchise; and Paul Allen, cofounder of Microsoft Corporation, who owns the Portland Trail Blazers basketball team and the National Football League's Seattle Seahawks.

While investing in a Major League Baseball (MLB), National Basketball Association (NBA), or another association franchise can be risky, some owners emerge victorious. Steinbrenner, for example, hit a home run with his investment in the Yankees. He bought the team for $10 million in 1973, and by 2010 the MLB franchise was worth $1 billion. In 2010, his family owned 80 percent of the team.

The same competitive spirit that brings investors success in other fields may lead them to enjoy the rivalry inherent in athletics. Most people who buy teams are sports fans, and they may have grown up wishing they could be Mickey Mantle, or Michael Jordan, or another great athlete. However, some owners are exceptions to this rule. Hiroshi Yamauchi, a Japanese businessman and one of the principal owners of the Seattle Mariners, had never attended a baseball game before he became involved with the team.

Professional sports teams can be a profitable venture for their wealthy owners. Gate receipts, postseason playoff games, broadcasting rights, stadium concessions, and licensed merchandise can generate millions of dollars. Investors like Turner, who own both the team and the television network on which its games are aired, are in a position to profit exponentially through advertising sales, as well as through tax savings, in which the cost of one business venture can be written off as the expenses of another enterprise.

In addition to the money, there is also a certain cachet in owning a sports franchise, not to mention a chance to see the games from the best seats in the house. During Dallas Mavericks games, Cuban sits courtside, frequently yells at officials or players on the opposing team, and in the opinion of many fans and commentators is the most vocal and prominent supporter of his team.

wildly successful by anyone else's standards, but he always felt that he failed to live up to his father's often unrealistic expectations. Steinbrenner bought the business from his father in 1963.

Mature Wealth

Steinbrenner, like other sports team owners, had considerable wealth before buying the New York Yankees from William S. Paley in 1973. He paid $10 million, raising the money through a limited partnership that included Texas oilman Nelson Bunker Hunt and Chicago businessman Lester Crown. Steinbrenner insisted upon being the managing partner. By buying the team, Steinbrenner appeared to have finally gotten out from under his father's shadow, and Major League Baseball would never be the same.

The news media soon discovered, and exploited, Steinbrenner's explosive temperament and delighted in reporting his many battles with players, including Dave Winfield, Reggie Jackson, and Darryl Strawberry. Steinbrenner once made Yogi Berra so angry that the baseball great vowed never to set foot in Yankee Stadium again. However, the person who most often endured the wrath of Steinbrenner was the legendary coach, Billy Martin, whose firings and subsequent reinstatements became the fodder for sports journalists, not to mention late night television show hosts and comedians.

Steinbrenner's management style emulated that of his father. He ran the team the way Henry managed both the family shipbuilding business and the family itself. George was fiercely loyal to those around him who measured up to his exacting standards, but he felt personally hurt and exacted revenge when he believed he was betrayed. More often than not, his decisions were about money. Steinbrenner's overwhelming success allowed him to manage by intimidation or by any other style he chose. As long as the Yankees won, the fans were happy, and the money rolled in. If the team lost, someone would be held accountable. That someone was often Billy Martin.

One reason for Steinbrenner's success was his understanding that money attracts money. He was in the vanguard of hiring highly paid—or, in some critics' opinions, exorbitantly paid—professional athletes. By paying his players more than any other baseball team owner, Steinbrenner was assured of building a team with the kind of talent that would win repeated championships.

Steinbrenner's wealth assured him a perennial spot on the lists of the richest Americans. He used his fortune to improve the lives of others, at times acting on impulse to fulfill a perceived need. For example, while driving in Florida, he came upon a broken school bus, and he not only paid for its repair but also bought lunch at McDonald's for the stranded children. He sent $50,000 worth of toys to an orphanage in need. When Hurricane Andrew ravaged Florida, Steinbrenner was a major donor, making public appearances to urge others to join the relief effort. After he learned that Florida's Salvation Army employees were driving trucks without air conditioning, he immediately arranged to have air conditioning units installed in every vehicle. Steinbrenner's generosity, combined with his often autocratic nature, illustrate the contradictions and complexities of his character. The man that his staff and team encountered was the Steinbrenner who preferred being feared over being liked; the beneficiaries of his kindness saw an empathetic man who recognized life's inequities and worked to alleviate them.

Unlike his father, who never indulged in any form of conspicuous consumerism, Steinbrenner and his family always lived in a manner befitting his balance sheet. He enjoyed lavish homes in both New York and Florida, and he made sure his own children never had to suffer the indignities he experienced in childhood. Joan Steinbrenner had everything a wife could want but at the price of being dominated by her husband.

In 2007, Steinbrenner turned the team over to his sons. Steinbrenner had a long run with the New York Yankees, and this tenure was both successful and controversial. He was twice suspended from Major League Baseball, and he was twice reinstated. One of the dismissals came after he was convicted of a felony for making an illegal contribution to President Richard Nixon's reelection campaign.

In his later years, Steinbrenner's health declined. On July 13, 2010, he had a heart attack and was taken to St. Joseph's Hospital in Tampa, Florida, where he died at the age of eighty.

Legacy

George Steinbrenner will be best remembered as the man who brought the New York Yankees to even greater glory, making it the most successful franchise in baseball history. Although often harsh and dogmatic, he achieved his goals and made Yankee fans happy. Although he did not always show his more compassionate nature, his generosity is also a large part of who he was. He assisted charities in New York and in the Hillsborough County area of Florida, where the Yankees have their spring training camp. Among his philanthropic causes, he founded the Silver Shield Foundation to pay the college tuition of children whose fathers were police officers who died in the line of duty in New York City or in Hillsborough County. He also was a longstanding donor to the Special Olympics. Steinbrenner Field, the Yankees' winter home in Tampa, Florida, is named for him, as is a high school in Hillsborough County, which recognizes his charitable contributions to the area's schools.

—*Norma Lewis*

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See also: Mark Cuban; Joan Kroc; Ted Turner; Tiger Woods.

Alexander Turney Stewart

American retailer

At the time of his death, Stewart was the third-wealthiest man in New York, with an estate valued at $50 million. He obtained his wealth by creating a chain of retail stores that helped make shopping and consumption essential elements of American life.

Born: October 12, 1803; Lisburn, County Antrim, Ireland (now in Northern Ireland)
Died: April 10, 1876; New York, New York
Also known as: Alexander Turney Stewart
Sources of wealth: Inheritance; retailing; real estate
Bequeathal of wealth: Spouse

Early Life

Alexander Turney Stewart was born in Lisburn in what is now Northern Ireland. Growing up in a close-knit Scotch-Irish Protestant community, in the heart of the thriving linen trade, reinforced a strong culture of hard work, scrupulous honesty, and responsibility. His father died when Stewart was three months old. After remarrying, his mother immigrated to the United States, leaving Stewart in the care of his grandfather, a man of some substance financially, who provided the boy with a good education and sent him to Trinity College in Dublin to study for the Anglican ministry.

Upon his grandfather's death in 1820, Stewart quit his studies and paid passage to New York, where he secured a teaching position. In 1823, he returned to Ireland to collect an inheritance of £1000 (about $10,000, or between $80,000 and $100,000 in 2010 currency) from his grandfather's estate. He used most of his inheritance to buy Irish linens and lace, which formed the nucleus of a small dry goods store. In 1823, he married Cornelia Clinch, daughter of a New York ship chandler.

First Ventures

Stewart's store prospered, quickly outgrowing its narrow quarters. Early on, Stewart established the business practices that enabled him to amass a fortune as New York City's leading retailer. By buying from the source, eliminating the middleman, and doing a larger volume of business than his competitors, he was able to cut prices and still make a profit. His reliance on cash transactions in both purchasing and selling was one factor that helped him weather the volatile economic climate of America in the first half of the nineteenth century. He personally supervised all aspects of his business and insisted on rigorous honesty in all transactions.

The opening of the Erie Canal in 1825 established New York City as the preeminent port through which American raw materials were shipped overseas and manufactured goods from Europe entered the United States. The canal resulted in a rise in the city's wealth, creating a burgeoning demand for luxury consumer goods, which Stewart readily supplied. An Englishwoman writing about New York in 1854 remarked on gold brocade selling for £9 (about $900 in 2010) a yard and a fine lace flounce priced at 120 guineas. Such wares were displayed in colonnaded marble halls, proffered by a small army of handsome young clerks well versed in polite, low-key sales tactics. Although Stewart's store did sell some lower-end and discounted merchandise, it was preeminently the emporium of the fashionable and well-to-do.

In the mid-nineteenth century, dry goods occupied the central place in retailing that women's ready-to-wear clothing would later assume. The Industrial Revolution made available inexpensive machine-made fabrics, enabling middle-class women to follow fashion and have more extensive wardrobes than they had before, but the usual practice was to buy yardage and findings from the dry goods store and give them to a dressmaker to be made into clothing.

Making his stores places where women enjoyed shopping was a key feature in Stewart's success. In 1848, having outgrown a series of successively larger rented quarters, he built the Marble Palace at 280 Broadway. By building a facility with high ceilings, classical architectural details, and a glass-domed rotunda, Stewart carefully created an atmosphere that reinforced shopping as a pleasant pastime. Among his store's innovations were periodic fashion shows, floor-length mirrors, and stools upon which ladies could sit and gossip while they examined fabric. Sometimes considered America's first department store, the Marble Palace was predominantly a dry goods store.

Mature Wealth

After 1848, Stewart's empire expanded rapidly. By 1869, he owned more real estate in Manhattan than anyone except the heirs of John Jacob Astor; his holdings included two major stores, the Metropolitan and Park Hotels, the Globe Theater, and Niblo's Garden. He also purchased and expanded the Grand Union Hotel in the resort town of Saratoga Springs, New York, making it the largest hotel in the world. Stewart operated satellite stores in Boston and Philadelphia and branches in Great Britain, France, and Germany.

The Marble Palace was a huge financial success, and it stood at the center of fashion and opulence in female dress. One of its notable customers was Mary Todd Lincoln, to whom Stewart personally presented a valuable lace shawl, with the gift serving multiple functions as thanks to a loyal customer, publicity for the shop, and an expression of support for the administration of her husband, President Abraham Lincoln.

In 1862, Stewart opened the Iron Palace, a six-story building occupying an entire city block between Ninth and Tenth Avenues on Broadway. This massive building, with its cast-iron facade, glass dome, skylight, and grand emporium, employed two thousand people in nineteen separate departments, including various categories of fabrics, furs, housewares, carpets, and toys. It was a true department store, catering to the diverse shopping needs of the well-to-do New York woman.

In 1870, the workforce of the Iron Palace consisted of one superintendent, 9 department heads, 25 bookkeepers, 30 ushers, 200 cash boys, 470 clerks, 50 porters, and 900 seamstresses. Stewart was an exacting employer, demanding diligence and honesty and by no means generous with wages. His fairness, consistency, and personal example, however, allowed him to maintain a loyal workforce. His Garden City and women's residence hotel projects, initiated shortly before his death, represented an innovative solution to ensuring adequate living standards for employees in a high-cost urban area, with the employer taking advantage of economies of scale to provide inexpensive housing.

During the Civil War, Stewart manufactured and sold cloth for Union army uniforms at less than the going rate. He later sent a shipload of provisions to Ireland during the famine and a shipload of flour to sufferers of the Franco-Prussian War, and he provided $50,000 for relief after the Chicago fire of 1871. Although significant, these explicit charitable acts are minor compared to Stewart's resources.

Around 1870, the New York City store began receiving mail-order requests from women in rural areas. Stewart created a department to handle these requests, which by 1876 generated profits of $500,000 annually. To supply his stores, Stewart established a carpet factory and woolen mills.

In 1869, Stewart hired the architect John Kellum to design a suitable mansion. Located on Fifth Avenue and Thirty-fourth Street, the five-story marble-faced structure designed in French Second Empire style was the grandest private residence of its day in New York. The house, a private art collection valued at $1 million, and excellent horses were the only outward displays of wealth in which Stewart indulged.

Publicly, Stewart took relatively little part in political life. Despite his close association with Judge Henry Hilton, his wife's second cousin and a member of the Tweed Ring, Stewart distanced himself from the extreme corruption of New York City's government in the 1860's and assisted in the prosecution

GARDEN CITY

In 1869, Alexander Turney Stewart used some of the profits from his retailing empire to purchase the Hempstead Plains, a tract of more than seven thousand acres of treeless land on Long Island, New York. He announced an ambitious plan to develop the area as a residential community for families of men working in his New York City enterprises, a proposal most contemporaries regarded with skepticism. Commuting to work by rail was a novelty, as was the idea of constructing an entire community from the ground up.

Collaborating with John Kellum, the architect of Stewart's Iron Palace, America's first real department store, and Stewart's New York City mansion, Stewart laid out plans for a model town to be named Garden City, with broad, tree-lined avenues, extensive parks, schools, churches, a modern water system, centralized steam heating, and a commercial district, all of which would be leased, leaving Stewart with ultimate authority over who lived there and what businesses could operate there. To ensure ease of commuting the nineteen miles to New York City, he built his own spur railroad. Although aimed at people lower down the social scale than earlier planned communities, such as Lewellyn Park in New Jersey, Garden City was never a purely philanthropic venture. Stewart expected to profit from it, both from rents and from innovative methods of cutting his employees' housing costs, thereby enabling him to pay his workers lower wages.

At the time of Stewart's death in 1876, only a central hotel, some of the infrastructure, and twelve large executive homes ("the Apostles") had been built. His widow concentrated construction efforts on building the Anglican cathedral and developing playgrounds for wealthy New Yorkers who built or leased summer homes in the vicinity. As a residential community, Garden City did not really begin to grow until after 1907, when Stewart's corporation sold lots to individuals. The resulting city was, and still is, a desirable place to live, although far removed from Stewart's original vision.

of "Boss" William Marcy Tweed in 1872. In March, 1869, President Ulysses S. Grant offered Stewart the post of secretary of the Treasury, but an old law barring anyone actively involved in imports from this position prevented his confirmation.

Stewart died unexpectedly of peritonitis on April 10, 1876. The terms of his will left his entire fortune to his wife, with the exception of some small bequests to individuals and $1 million to Henry Hilton, a relative and business partner. The Stewarts had three children, but they died when they were young and did not have their own children. Shortly after his death, thieves stole his body from its temporary resting place in St. Mark's Church in New York's Bowery neighborhood and held the body for ransom. Upon payment of the ransom, Stewart's remains were returned and interred in the new Cathedral of the Incarnation in Garden City, New York.

Legacy

Stewart's most enduring legacy is probably not what his wealth bought but the business model that made accumulation of his fortune possible. In 1823, few Americans thought of themselves as consumers, and retailing, even in large cities, focused on meeting the practical needs of plain folk. The elite looked to the Old World, especially to France, for luxury items, and conspicuous consumption of these goods was viewed as vaguely un-American.

By 1876, New York City had become established as a center for fashion and luxury, and other large cities followed suit. Shopping and consumption had become legitimate and primary aims of life, worthy of the trappings formerly reserved for theater, civic life, and worship. The store had become a palace, and the shopkeeper, a prince.

Of the edifices Stewart built, only the Marble Palace survive in the twenty-first century, as a civic building and historic landmark. The Iron Palace was acquired by Wanamaker's, a Philadelphia-based department store chain modeled on Stewart's stores. Wanamaker's operated the Iron Palace as one of New York's grand department stores until 1955. The Grand Union Hotel in Saratoga Springs fell into disrepair and was razed in 1953 to make way for a supermarket, and Stewart's Fifth Avenue mansion was demolished in 1902.

—*Martha A. Sherwood*

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See also: Marshall Field; Julius Rosenwald; Nathan Straus; John Wanamaker; F. W. Woolworth.

James Stillman
American banker and investor

Stillman was president of National City Bank of New York and led the bank to spectacular growth, opening international branches and becoming the largest bank in that state.

Born: June 9, 1850; Brownsville, Texas
Died: March 15, 1918; New York, New York
Also known as: James Jewett Stillman
Sources of wealth: Inheritance; banking
Bequeathal of wealth: Children

Early Life
James Jewett Stillman was the oldest of five children born to Charles Stillman and Elizabeth Pamela Goodrich Stillman. Charles Stillman was the founder of Brownsville, Texas, and James was born there on June 9, 1850. By 1856, the family had moved to New York. James received his formal education at Churchhill School, a military academy in Ossining, New York. Since his father was away for long periods, often in Mexico or Texas, James was forced to be the man of the house.

First Ventures
At age sixteen, Stillman began working, and two years later he was promoted to cashier at Smith, Dunning, and Woodward, a company dealing in cotton and hides. The firm later reorganized and was renamed Woodward and Stillman.

Stillman married Sarah Elizabeth Rumrill in 1871, and the couple had three sons and two daughters. Sarah desired more companionship than the aloof James supplied. In 1894, she left her husband and moved to Paris.

When Stillman was twenty-one, his father suffered a paralyzing stroke, and Stillman took over all of his father's investments. After his father died in 1875, Stillman inherited about $1 million. He invested much of this money into the stock of a dozen strong railroads. He also used his father's business interests to gain control of sixteen banks and a large amount of land in south Texas, and he began to buy stock in National City Bank of New York. In 1883, Stillman took his father's place on the board of directors of National City Bank, and the following year he began serving as a director of both Hanover Bank and the Chicago, Milwaukee, and St. Paul Railroad. By 1884, Stillman was earning $50,000 a year.

Mature Wealth
In 1891, Stillman became president of National City Bank, which at that time was losing money. Under his leadership, the bank became profitable. Stillman increased National City's capital, cash reserves, and the amount of gold that the bank owned when other banks were selling gold. His management techniques also enabled the bank's deposits to skyrocket from $12 million to $638 million.

In 1897, National City Bank was the only bank stable enough to finance the reorganization of Union Pacific Railroad. This strength also enabled the bank to be the agent for the United States in the transaction in which America paid Spain $20 million to purchase the Philippines. National City Bank continued its remarkable growth, and in 1919 became the first U.S. bank with $1 billion in assets. During economic downturns, when many other banks failed, National City actually increased its capital and deposits.

Stillman became good friends with William Rockefeller, the manager of Standard Oil; Stillman's two daughters married Rockefeller's two sons. Another of Stillman's associates was railroad magnate Edward H. Harriman. With Harriman, Rockefeller, and other Wall Street associates, Stillman controlled the most important railroads in Texas, as well as the Union Pacific and the Chicago and Alton rail lines. In 1897, National City Bank took over Third National Bank to become the largest bank in New York.

Stillman earned an estimated $3.5 million annually and was worth $200 million. Near the end of his life, he gave money to family and friends and was therefore worth only $50 million at his death. He died of heart problems on March 15, 1918.

Legacy
With his personal fortune, Stillman provided a fund for French war widows and children and financed construction of a hospital for Harvard University. However, his legacy was not in his philanthropy but in his role as a banker and financier. As president of National City Bank, Stillman played a significant role in American business in the late nineteenth and early twentieth centuries. His management enabled the bank to become one of the largest and most solid financial institutions in the country. Among its accomplishments under Stillman's leadership, National City financed the restructuring of

Union Pacific Railroad and played an important role in the United States' acquisition of the Philippines. By the twenty-first century, National City Bank had become Citibank, one of the largest full-service banks in the world.

—*C. Alton Hassell*

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See also: August Belmont; Anthony Joseph Drexel; Hetty Green; Edward H. Harriman; Andrew Mellon; Richard B. Mellon; J. P. Morgan; William Rockefeller; Jacob Schiff; Georg von Siemens; Moses Taylor.

Nathan Straus

American department store owner

Straus was the co-owner of two of the largest department stores in New York City—Macy's and Abraham & Straus. He also was an active philanthropist, advocating milk pasteurization, opening a tuberculosis sanatorium for children, and providing coal, food, housing, and other relief during economic and natural disasters.

Born: January 31, 1848; Otterberg, Bavaria (now in Germany)
Died: January 11, 1931; New York, New York
Source of wealth: Retailing
Bequeathal of wealth: Charity

Early Life

Nathan Straus (strows) was born in Otterberg, Bavaria, the son of Lazarus and Sara Straus. He was the third of four children. At the age of six, he traveled with his mother, sister Hermine, and brothers Isidor and Oscar to join their father in the southern United States. After the Civil War, the family moved from the state of Georgia to New York City.

His father founded L. Straus & Sons, a business that sold crockery and glassware. The three boys learned this trade from their father and eventually took over the business. On April 28, 1875, at age twenty-seven, Straus married twenty-one-year-old Lina Gutherz. The couple had six children.

First Ventures

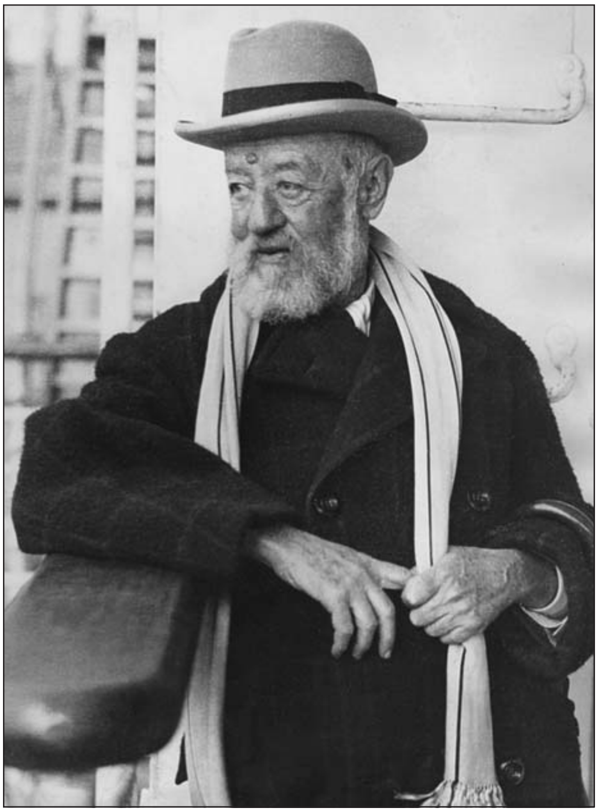
L. Straus & Sons began selling crockery to R. H. Macy & Company department store. In 1888, the Straus business and Macy's became partners, and less than a decade later the Straus family co-owned the store. In 1893, Nathan and Isidor bought a Brooklyn dry goods store, Abraham and Wechsler, from its owner Joseph Wechsler. The brothers renamed the store Abraham & Straus.

During this time, Straus noticed the struggles of the city's poor. Especially cold winters in 1892 and 1893 caused economic distress, so Straus set up shelters and created a chain of centers to distribute food and coal to the needy. The Straus family's dry goods business also offered coal, bread, sugar, flour, and other staples at a minimum cost. The personal cost for helping those in need was estimated at $100,000, nearly ten times what local charities were contributing, yet Straus's philanthropic efforts were criticized for encouraging pauperism.

Shortly before the hardship of these terrible winters, Straus took an interest in public service. From 1889 to 1893 he served as the park commissioner for New York City. He declined the Democratic Party's nomination for mayor of the city in 1894. However, the plight of the city's poor and homeless continued to concern him. The high death rate of infants and children led him to explore health issues among the poor.

Mature Wealth

Straus was intrigued with the discoveries of scientist Louis Pasteur, and after the death of two of his three small children Straus became convinced that raw milk was "white poison." The sudden death of a family cow revealed that it had died of tuberculosis, and Straus suspected the cow had passed on the disease to his children. Straus and his wife created and financed the Nathan Straus Pasteurized Milk Laboratory. Here milk was pas-



Nathan Straus. (Hulton Archive/Getty Images)

teurized, or heated, to kill bacteria and was then bottled to help combat infant mortality from tuberculosis, typhoid, scarlet fever, diphtheria, and other diseases. Eighteen milk depots were established throughout the city to sell sterilized milk for a few cents or to provide it for free to those unable to afford it for their children. Straus and his wife also opened and financed the Tuberculosis Preventorium for Children in Lakewood, New Jersey. In 1898, Straus served as president of the New York City Board of Health.

After their efforts to pasteurize milk, Straus and his wife Lina planned a trip to Israel. The couple and Straus's brother, Isidor, and Isidor's wife traveled to Palestine in 1912. Straus was taken by the area but grew concerned about the health and housing problems he saw in Palestine. Although he and Lina remained abroad, Isidor and his wife returned to New York aboard the RMS *Titanic*. They perished, and Straus took the deaths very hard. He believed divine intervention had spared him and his wife and committed himself to helping those in Palestine.

Legacy

The last decade of Straus's life was devoted to assisting the Jewish community in America and helping underwrite Zionist activities in the Holy Land. Straus and Lina devoted two-thirds of their fortune to these efforts. They funded pasteurization plants, nursing missions, and hospitals in Tel Aviv and Jerusalem and worked to improve living conditions for both Arabs and Jews in Palestine. In 1920, Straus turned the New York City milk depots over to public agencies and donated his pasteurized milk laboratory to the state of New York, since by that time milk pasteurization was required by most cities and states.

—*Lisa A. Wroble*

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See also: Marshall Field; Julius Rosenwald; Alexander Turney Stewart; John Wanamaker; F. W. Woolworth.

Grigory Stroganov

Russian landowner, merchant, and statesman

Stroganov consolidated his family's vast landholdings and developed numerous enterprises that made the Stroganovs one of the wealthiest and most influential families in Russia. He also helped finance the Russian government in times of need, earning nobility for his descendants.

Born: 1656; Solvychegodsk, Russia
Died: November 21, 1715; Moscow, Russia
Also known as: Grigory Dmitriyevich Stroganov; Gregory Stroganoff
Sources of wealth: Inheritance; trade; real estate; government
Bequeathal of wealth: Children

Early Life

Grigory Dmitriyevich Stroganov (grih-GOH-ree dih-MYEE-tryee-vihch STRAH-gehn-ahf) was born into a family of ambitious peasants from the White Sea. A century before his birth his family had been granted large tracts of land as a reward for their service to and financial support of Czar Ivan the Terrible. Grigory was the only son of Dmitri Andreyevich Stroganov. In keeping with the family tradition of paying homage to the Russian monarch, in 1672 Grigory was sent to the court of Czar Alexis in Moscow with lavish gifts for the future czar, Peter the Great, who was born that year.

First Ventures

Stroganov's rise to power and wealth began in 1673, when his father died and he inherited one-third of the Stroganov landholdings. He obtained another third of the family's property in 1681 and the remainder in 1686, after the other heirs had died. In 1692, Czar Peter the Great granted the Stroganovs their land in perpetuity, making Stroganov the largest landowner in Russia, after the czar, with some seventy thousand square miles of land. Stroganov's property included between fifteen and twenty thousand serfs whose labor could be exploited with impunity, thanks to the presence of a small private army to carry out Stroganov's wishes with the tacit approval of the czar. Stroganov's minions explored Siberia and the Ural Mountains, annexing huge tracts of mineral-rich land that would become part of the Russian Empire. Stroganov also greatly added to his family's fortune by expanding the family's longtime salt-making business, and he developed or improved the efficiency of lucrative fur, hunting, fishing, and mining operations on his property.

Beginning in the early 1680's, Stroganov exerted powerful influence on the Russian court because of his willingness to lend the government of Peter the Great hundreds of thousands of rubles. After the outbreak of the Great Northern War against Sweden (1700-1721), Stroganov paid for the construction of two warships for the fledgling Russian navy.

Mature Wealth

For his service to his country, Stroganov was recognized as a distinguished person, granted various honors, and given additional lands. One of these properties was Kuzminki, a fabulous estate in Moscow, replete with ponds, bridges, gardens, and original sculptures. Here Stroganov carried on the family tradition of collecting art and artifacts, including Roman statuary, fine furniture, tapestries, historical relics, coins, books, and paintings. Like his father, he sponsored artists and craftspeople. Under his tutelage, a Stroganov style of art turned out Westernized icons painted on canvas, gold-threaded embroidery, and fine enamels. He also developed a Baroque-influenced Stroganov architecture that was incorporated into the churches he had built, including the Cathedral of the Presentation of Mary, the Church of Our Lady of Kazan, and the Church of Our Lady of Smolensk.

Stroganov was married twice, first to Princess Vassa Meshcherskaya and then to Princess Maria Novosiltseva. He and Maria had three surviving sons, Alexander, Nikolai, and Sergei. At the time of his death in 1715, Stroganov was one of the richest men in Russia.

Legacy

After Stroganov's death, his sons were elevated to the nobility in recognition of their father's role in Russia's growth. They and their descendants enjoyed all the benefits of wealth and prestige for the next two centuries. Many Stroganovs would play significant roles in Russian history. Count Sergei Stroganov, who built the ornate Stroganov Palace in Moscow, served Czarina Elizabeth Petrovna. Sergei's son Alexander helped reform laws during the rule of Czarina Catherine the Great and became president of the Russian Academy of Sciences. Other Stroganov descendants served as government ministers.

The Stroganov family fortune came to a sudden end during the Russian Revolution of 1917. Several family members, including Princess Maria Stroganov Shcherbatova and her children, were among thousands of nobles who were executed. Survivors fled, and Stroganov lands, businesses, and possessions were nationalized. By the twenty-first century, Stroganov Palace had been converted into a museum and the Stroganov family no longer existed.

—*Jack Ewing*

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See also: Ivan Borisovich Cherkassky; Aleksandr Danilovich Menshikov; Nikita Romanov; Felix Yusupov.

Filippo Strozzi

Italian merchant and banker

Strozzi amassed one of the greatest fortunes of the Renaissance, dedicating much of his wealth to the construction of a grand palace in Florence.

Born: 1428; Florence (now in Italy)
Died: 1491; Florence
Also known as: Filippo di Matteo Strozzi; Filippo Strozzi the Elder
Sources of wealth: Banking; trade; real estate
Bequeathal of wealth: Children

Early Life

Filippo di Matteo Strozzi, better known as Filippo Strozzi (fee-LEEP-poh STROHT-tsee), was born in 1428 into one of the most prestigious patrician families of Florence. Of older lineage than the Medici, the Strozzi family was also as wealthy, and for these reasons they posed a challenge to Medici power. Filippo's father Matteo was exiled from Florence in 1434. Matteo died a year later, and Filippo's mother then returned to Florence with her children. Although Matteo was known as a humanist scholar, his son Filippo received a more commercial and vernacular education, learning reading, writing (especially letter writing), and arithmetic.

First Ventures

For both financial and political reasons, Strozzi was apprenticed abroad at age thirteen. After working in Sicily, he joined the firm of his father's cousins, working at their various foreign branches and rising from apprentice to junior partner. By 1447, Strozzi had been working for Niccolò Strozzi in Naples, trading cloth and grain and providing credit to the Neapolitan court. He was frustrated by his limited status, for despite his mother's support, he did not have sufficient capital to found an independent business. Furthermore, he also was sentenced to exile in 1458 and could not return to the city he loved.

Mature Wealth

Strozzi's fortunes improved in the early 1460's. His support for King Ferdinand I of Naples against his barons made him one of the king's close advisers. Strozzi served as managing partner of the Naples bank when Niccolò Strozzi moved to Rome. After much effort, Strozzi's exile was lifted in 1466. Finally, in 1468, Niccolò died without heirs and left Filippo half of his estate. By 1470, Filippo Strozzi had status, political clout, and a large amount of capital. He returned permanently to Florence.

In the next two decades, Strozzi amassed astounding wealth from his endeavors in banking, trade, real estate, and probably usurious personal loans. Detailed records chart how his personal worth climbed from 32,649 florins in 1471 to 112,281 florins in 1483. Although he loaned money to kings and popes, he managed to avoid the devastating entanglements that led others into bankruptcy. Perhaps because he kept unusually large cash reserves, he could weather economic downturns. At his death in 1491, he was worth 116,255 florins.

Strozzi dedicated the last decade of his life to architectural projects. In the largest of these, he renewed and beautified the Strozzi quarter of Florence through the construction of an immense palace. He began to acquire the necessary land by 1470; foundations were laid and construction began in 1489. The building was unfinished at his death, but his will provided for its completion by his heirs.

Legacy

After his father's disgrace and exile, Filippo Strozzi reestablished his family's fortune and prestige. After making a number of religious bequests, he left the bulk of his wealth to his children. His dynastic concerns are clear from his will, most of which deals with the completion of his palace and his attempts to ensure that it remained in the hands of the Strozzi family. His efforts were successful, for the Strozzi family remained powerful into the eighteenth century.

His palace is his lasting monument. Its construction was an urban renewal project that beautified the neighborhood long associated with his family. Strozzi's personal and family emblems decorate the structure and announce his importance. In late fifteenth century Florence, not even the Medici could match the palace's grandeur.

—*Jean Owens Schaefer*

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See also: Ridolfo de' Bardi; Orlando Bonsignori; Agostino Chigi; Francesco Datini; Giovanni de' Medici; Jacopo de' Pazzi; Filippo di Peruzzi.

Süleyman the Magnificent

Ottoman sultan and military leader

Süleyman the Magnificent earned his sobriquet during a long reign as sultan of the Ottoman Empire. Although he was a feared military leader, a capable administrator, a dynamic builder and reformer, and a noted poet, he most impressed visitors with the splendor and opulence of his fabulous palace compound.

Born: 1494 or 1495; probably Constantinople, Ottoman Empire (now Istanbul, Turkey)
Died: September 5 or 6, 1566; near Szigetvár, Hungary
Also known as: Süleyman I; Süleyman Kanuni; Suleiman I; Suleiman the Magnificent; Suleiman the Lawgiver; Suleiman the Great
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Children

Early Life

Süleyman (sew-lay-MAHN) the Magnificent was the only son of Selim, who as Sultan Selim I ruled the Ottoman Empire from 1512 through 1520; Süleyman's mother was Aisah Sultan. By the time of Süleyman's birth, the Ottoman Empire was the dominant power in southeastern Europe and the eastern Mediterranean and included what is now Turkey and the Balkan countries. Süleyman's father, Selim I, extended the empire, establishing Ottoman rule in Egypt, and Süleyman would continue this expansion.

As a boy, Süleyman grew up in the Topkapi Palace at the empire's capital at Constantinople (now Istanbul), where he received a fully rounded education in religion, history, science, literature, art, and military strategy. After his father became sultan, the teenaged Süleyman was appointed governor at outposts on the Black Sea, in Armenia, and in western Turkey in order to learn how to administer the powerful and far-flung empire.

Upon his father's death in 1520, Süleyman ascended to the Ottoman throne as the tenth sultan. He immediately embarked upon military campaigns, waging constant warfare throughout his reign. In 1521, he captured Belgrade, an important stronghold of the Kingdom of Hungary. The following year, he captured the Christian-held island of Rhodes. In subsequent battles, Süleyman. leading seasoned, professional troops and commanding vast fleets of ships, would defeat Hungary, besiege Vienna, encroach deep into Persia (now Iran), dominate North Africa, and sweep across the Mediterranean, greatly expanding the Ottoman Empire.

First Ventures

These conquests added vast territories to the Ottoman sway and brought in enormous wealth in booty, tribute, and gifts that made Süleyman incalculably rich. This money was used to finance imperial troops, and untold treasure was spent to add to the glory of the sultan's residence at Topkapi. Süleyman expanded and renovated the palace compound until it covered about 700,000 square yards, adding kitchens, gardens, fountains, libraries, mosques, schools, aviaries, and stables. Sporting a huge turban, Süleyman received emissaries while sitting on a jewel-encrusted throne in a gilded hall, ate from solid gold plates, and never wore the same clothing twice. He enjoyed the favors of a three-hundred-woman harem, and one of the women, Roxelana, became his second wife.

Mature Wealth

Despite his opulent lifestyle, Süleyman was generous toward his subjects. He welcomed Christians and Jews into his domain and passed decrees protecting them. He freed slaves. He reformed outmoded laws governing criminal conduct, taxation, and inheritance. In Constantinople, he paid for the construction of many mosques, including the massive Süleymaniye Mosque, as well as schools, hospitals, public baths, aqueducts, bridges, and facilities for the poor. He rebuilt religious shrines in Mecca, Medina, and Jerusalem. He promoted a strong agricultural base to make his empire as self-sufficient as possible.

Even at the end of his long reign as sultan, the ambitious Süleyman continued to expand the sphere of Ottoman influence. In 1566, he died of natural causes while commanding his troops during another expedition to conquer the Hungarians.

Legacy

Middle Eastern culture flourished during Süleyman's reign. He was a devoted patron of art, literature, and music, and he became a renowned poet himself, using the pseudonym Muhibbi (lover). Süleyman's sponsorship resulted in the creation of artistic societies that attracted many of the empire's painters, jewelers, goldsmiths, and other craftspeople, and the members of these societies produced artworks and jewelry for the sultan and his court.

After Süleyman's death, the Ottoman Empire began a long, slow decline under the rule of weak, often incompetent sultans before dissolving in 1921 after more than six centuries. In the twenty-first century, many of Süleyman's architectural works continued to stand in Istanbul and elsewhere in Turkey, including the Süleymaniye Mosque, where he is buried. Remnants of his fabulous wealth can be seen in the imperial treasury at Topkapi Palace, now a museum that houses collections of porcelain, arms and armor, miniatures, portraits, and many priceless golden, bejeweled objects.

—*Jack Ewing*

Süleyman the Magnificent. (Library of Congress)

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See also: Basil II.

First Earl of Surrey

Norman military leader and landowner

The first earl of Surrey's service to William the Conqueror and his son, William II, enabled Surrey to achieve a position of prominence and great wealth in post-Norman Conquest England. For his years of faithful service, he received vast tracts of land, important posts within the government, and the earldom of Surrey.

Born: c. 1030; Bellencombre, Seine Inferieure, Normandy (now in France)
Died: June 24, 1088; Lewes, Sussex, England
Also known as: William de Warenne (birth name)
Sources of wealth: Conquest; government; real estate
Bequeathal of wealth: Children

Early Life

The first earl of Surrey was born William de Warenne around 1030. He was the son of Ralph, an insignificant member of the Norman aristocracy, and Emma, a woman about whom nothing is known. Even so, some studies assert that his lineage can be traced back to the family of Duke Richard I of Normandy. The surname "de Warrene" is almost certainly derived from the village or fortress of Varenne situated on the river of that name between Dieppe and Rouen.

First Ventures

If Surrey's story is not one of rags to riches, it is at least the story of a self-made man. His family inheritance was meager, consisting of a small amount of land in the vicinity of Rouen that remained in his father's hands until his death around 1074. Thereafter, Surrey shared the land with an elder brother named Ralph. Almost nothing is known of Surrey's youth, though there is every reason to believe that he had to don the trappings of warfare and master the art of horsemanship at an early age to survive in a strife-torn land. By the mid-1050's, Surrey had sufficiently proven his mettle, enabling him to earn a position of leadership in a Norman army dispatched to repel the French king and his allies, including his kinsman, the rebellious Roger of Mortemer. The invasion was thwarted and Mortemer stripped of his lands and castles. Some of these lands, including important castles at Mortemer and Bellencombre, were given to Surrey by the future king of England, William the Conqueror. Surrey was now a victorious general and a propertied lord. More important, he had gained the trust and patronage of the most important man of his day.

Mature Wealth

Little is known of Surrey's activities between the Battle of Mortemer in 1054 and the Norman Conquest in 1066, though it seems likely that his stature as a warrior continued to grow. Ordericus Vitalis, a monk chronicler, reported that Surrey was among the "illustrious nobles" summoned to advise William on the possibility of an invasion of England in order to claim the crown which William felt had been promised to him years earlier by his cousin, the recently deceased Edward the Confessor. Vitalis also lists Surrey as one of the men who fought by William the Conqueror's side in his 1066 victory against the English usurper King Harold II in the Battle of Hastings.

When William the Conqueror returned to Normandy in the spring of 1067, Surrey was one of four magnates entrusted with the governance of the realm in the king's absence. In this capacity, Surrey worked hard during the next twenty years, first for William the Conqueror and later for his son and successor, William II, in order to tame a land that was always ready to revolt. In 1068, Surrey marched against the English rebels in Yorkshire, and in 1071 he was among those dispatched to the fens of East Anglia to put down an uprising led by the outlaw Hereward the Wake. Although Hereward escaped the battlefield, the resistance was crushed. Other tasks soon followed. In 1075, Surrey and Richard de Clare, another trusted Norman lord, marched into Cambridgeshire to suppress an uprising led by Roger, earl of Hereford, and Ralph, earl of Norwich.

For his faithful service in these campaigns, William the Conqueror bestowed honors and responsibilities on his faithful servant, which made Surrey one of the greatest landholders, and, in turn, one of the wealthiest men in England. Surrey's first truly significant acquisition, probably for his heroic actions at the Battle of Hastings, was the so-called Rape of Lewes, one of five strips of land in Sussex created by the Conqueror for his tenants-in-chief. At some point in time, an impressive castle was constructed near the town of Lewes, which became the foundation of Surrey power in England. For his efforts against the English rebels in Yorkshire in 1068, Surrey was given Conisbrough, an important royal manor formerly held by Harold II Godwinson. Most of his concessions, dutifully recorded by the king's agents in the Domesday Book in 1086, were concentrated in Norfolk, where Surrey built a great manor house at Castle Acre. In the course of time,

The Earl of Surrey's Dynastic Line

Owing to some ambiguities in the works of Ordericus Vitalis, the most important contemporaneous source, there is some uncertainty about the point at which William de Warenne received the earldom of Surrey and became the first earl of Surrey. Vitalis suggests at one point in his narrative that some sort of grant within Surrey was conferred by William the Conqueror a few years after the Battle of Hastings in 1066. This point is echoed by Edward Augustus Freeman in his seminal work on the Norman Conquest. However, other historians, including William Hunt in his article in the *Dictionary of National Biography*, have argued that there is nothing in the records of the Conqueror's reign to suggest that Surrey bore the title of earl at this early date.

Most historians are of the opinion that Vitalis was correct, when, some pages later in his study, he gave William II the credit for conferring the title upon Warenne in 1088 as a reward for a lifetime of faithful service, or perhaps more particularly for Warenne's role in helping to suppress the great rebellion of that year staged by the followers of Robert Curthose. Although Warenne held the title for only a few months before his death on June 24, 1088, it did validate thirty-five years of faithful service to William the Conqueror and William II and placed him and his heirs among the elite lords of the realm for many years to come.

Most members of the Surrey dynasty, including Warenne's son and grandson, the second and third earls of Surrey, respectively, worked closely with the Crown; a few labored in the other direction. All, however, were conspicuous for their actions, whether on the battlefield or within the government. It was not until John de Warenne, the eighth earl of Surrey, died in 1347 without issue and was succeeded by a nephew, Richard FitzAlan, the earl of Arundel, that the Warenne line died out. Not long thereafter, the earldom of Surrey fell into abeyance. In the sixteenth century, the title was revived and given to the current holders, the dukes of Norfolk, who, in memory of the Warenne family, have incorporated the Warenne coat of arms into their own.

Surrey acquired lands in twelve counties, including Suffolk, Essex, and Cambridgeshire.

There can be no doubt that Surrey was a dutiful servant, one of the very few Norman lords whose loyalty to the Conqueror never wavered. Yet there was a less admirable side to his character. In an effort to increase his wealth, Surrey did not hesitate to take lands from the laity or from the Church, sometimes through coercion, sometimes through outright theft. He seized lands from the bishop of Durham, the nuns of Wilton, and the monks of Ely, who never forgave him and resisted his wife's efforts years later to give them a sum of money in recompense. Between 1181 and 1183, possibly as a form of penance, Surrey and his first wife, Gundrada, a Flemish princess, undertook a pilgrimage to Rome. Although the political conditions in Italy prevented them from completing the journey, they were befriended by the monks of Cluny along the way. So favorably impressed was Surrey with their hospitality that a few years before his death, he founded a small Cluniac priory, St. Pancras, at Lewes, the first of its order in England.

Whether through legal or extralegal means, Surrey had become one of the richest men in England. He might have been content to spend his last years overseeing the management of his vast estates, manors, mills, tenants, and flocks, but it was not meant to be. In 1183, Surrey was among those dispatched to the Continent by William II to suppress an uprising led by Hubert de Beaumont, who had taken refuge in a fortress at Sainte-Susanne. Beaumont could not be dislodged and Surrey was wounded in the conflict, but the affair ended happily not long thereafter when the rebellious Beaumont was reconciled with the king. In 1088, Surrey was summoned to duty again, this time to deal with the Norman lords who had raised a rebellion on behalf of Robert Curthose, the king's brother and the duke of Normandy. This particular engagement would cost Surrey his life. Wounded in the Siege of Pevensey, Surrey was carried to Lewes, where he died on June 24.

Legacy

According to Ordericus Vitalis, the first earl of Surrey was one of the few Norman knights who "maintained their fealty to their sovereign and gave him useful aid, both with their arms and their counsels, against the common enemy." Indeed, as David C. Douglas points out in his biography of William the Conqueror, Surrey's life illustrates the heights to which a Norman knight of modest means might rise through hard work and faithful service to his feudal lord in an age of warfare and shifting loyalties. For his many years of service, Surrey received large tracts of land throughout England, and, at the end of his life, the earldom of Surrey. His great wealth allowed Surrey to become a patron of several monasteries. While the Cluniacs of St. Pancras Priory might be excused for their obvious religious bias, it was their opinion that the monastery Surrey founded in Lewes was his "noblest monument."

—*Larry W. Usilton*

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See also: Odo of Bayeux; Alanus Rufus; William II.

SURYAVARMAN II

Cambodian king and military leader

The greatest Khmer king, Suryavarman II strengthened the internal structure of his kingdom, increased territorial claims through frequent military campaigns that added wealth to the kingdom's treasury, and made extensive additions to the Khmer capital of Angkor, including the construction of the magnificent temple of Angkor Wat.

Born: Date unknown; Kingdom of Khmer (now in Cambodia)
Died: c. 1150; Kingdom of Khmer
Sources of wealth: Inheritance; conquest
Bequeathal of wealth: Relatives

EARLY LIFE

Suryavarman (soor-yuh-VAWR-muhn) II was the son of a Khmer provincial leader named Ksitindraditya and his wife Narendralashmi. In Sanskrit, Suryavarman's name means that he was protected by Surya, the Hindu sun god. Suryavarman grew up on the frontier of the Kingdom of Khmer, north of present-day Bangkok, Thailand, and more than two hundred miles away from Angkor, the religious, cultural, governmental, and economic center of the powerful Khmer kingdom. The Khmer empire existed from 802 to 1431 and at its height included significant portions of Cambodia, Laos, Thailand, Vietnam, Myanmar (Burma), and Malaysia.

An ambitious young prince, Suryavarman, while receiving the education to which the privileged classes were entitled, grew to believe that his family was a legitimate member of the royal lineage. He thus felt he had a rightful claim to the throne of the Khmer, and he soon began planning his ascent to the seat of power.

FIRST VENTURES

While still a young man, Suryavarman started his campaign for the crown by removing a southern rival from the competing line of Harsavarman III, a former ruler. This blatant power play forced the elderly Khmer leader, King Dharanīndravarman I, into a war against Suryavarman, his great-nephew. In the midst of a bloody conflict between the armies of the two men, Suryavarman made a bold move. He leapt upon the king's battle elephant and slew Dharanīndravarman.

Suryavarman was proclaimed king of the Khmer in 1113 and served in this position until his death in about 1150. He dipped liberally into the kingdom's treasury to shower faithful supporters and priests with gifts, such as golden palanquins, exquisite fans, jewel-studded diadems, and rings encrusted with precious stones. He vis-

Angkor Wat

The world's largest religious structure, Angkor Wat (*wat* is a Khmer term for "temple"), was begun early in the reign of Suryavarman II. Based on an inscription that uses his posthumous name, the temple was not completed until after he died in about 1150. It is estimated that some seventy thousand workers were employed during a forty-year period to build the temple, its connecting open-air galleries and gates, and its surrounding 4,000-foot-by-5,000-foot moat.

Considered a masterpiece of Khmer architecture, Angkor Wat features five towers: a stepped central tower rising 200 feet into the air and four smaller towers linked by covered galleries. These towers represent the quintuple peaks of mythical Mount Meru, the sacred center of the physical and spiritual universe for both Hindus and Buddhists. The five towers are elaborately and densely carved with depictions of more than eighteen hundred heavenly beings, and intricate bas-relief panels contained within and without show scenes from both Hindu legend and everyday life. Originally, the temple's towers were gilded, accented with silver, and decorated with thousands of inset pearls and precious stones. These treasures were probably stripped when the city of Angkor was conquered by the Thais in 1431.

One unusual aspect of Angkor Wat is that it was not dedicated to Shiva, the Hindu god of destruction, as were most of the other temples in Angor, but it was dedicated to Vishnu, the protector god. A second unique characteristic of the temple is that it contains depictions of Suryavarman II, both in carved relief and in cast bronzes that have survived into the twenty-first century, making Suryavarman the first Khmer king to appear in a work of art. This depiction of a living king was a departure from traditional practice, in which only deceased monarchs were portrayed, and it indicated to the Khmer people that Suryavarman should be considered not only a king but also a living god. As in the art of ancient Egyptian, Mayan, Aztec, and other lost civilizations, Suryavarman is portrayed on his temple and is considerably larger than his subjects. He is seen with a dead snake, a symbol that relates his seizure of the throne to an event from Hindu mythology. He is also shown riding an elephant, being saluted by an orchestra, enjoying the company of women, and with his conquering army. Everywhere, the bronze or stone images of Suryavarman are laden with objects symbolizing wealth and kingship. He wears a crown and pectoral badge of office, sports ornaments in his ears, and is decorated with bracelets, rings, and other jewelry. He is sheltered beneath parasols and is pampered by servants waving fans and fly whisks, the very picture of a divine ruler.

Once an endangered historical site, the city of Angkor and Angkor Wat have undergone restoration since 1907, although the battle to preserve the former Khmer capital continues into the twenty-first century. Cambodia paid homage to Suryavarman II by placing the king's temple on its national flag since the 1850's.

ited temples throughout the realm and presented them with golden figurines of Hindu gods. Suryavarman used a major part of the kingdom's vast resources to finance numerous military incursions that greatly expanded the kingdom on several fronts, although he suffered several expensive and humiliating defeats in attempting to invade what is now Vietnam. He increased the tribute acquired from subjects of the Khmer. He also spent enormous sums to improve the ceremonial and political capital at Angkor, founded in the late ninth century, spending an incalculable amount to construct his own monumental temple-mausoleum.

Mature Wealth

Despite Suryavarman's spendthrift ways, the unified Khmer kingdom thrived as never before during the first half of his reign. The kingdom, a monarchy-theocracy, was located in an incredibly fertile agricultural region united by common religious beliefs under the leadership of a semidivine king. When the monsoon rains flooded the Mekong River that ran through the heart of Khmer territory, rich silt was deposited, allowing a bounty of vegetables to be grown throughout the region. The Khmer network of irrigation canals and capacious reservoirs provided water to far-flung fields, permitting three or four annual harvests of rice; the surplus of the yearly yield of eleven thousand tons was sold for profit. The kingdom also exported lucrative spices, such as sesame, cardamom, nutmeg, cumin, coriander, mustard, fennel, ginger, and cinnamon, as well as honey, sugar, camphor, and fruits. All such products were taxed, and the resulting revenues flowed into Suryavarman's coffers.

Early in his reign, Suryavarman eliminated a potential threat to his throne and gained an enthusiastic trading partner by initiating a diplomatic relationship with China. Khmer ambassadors visited the Chinese emperor in 1116, 1120, and 1128 to negotiate agreements regulating commerce between the two empires.

Suryavarman spent freely, and in its heyday Angkor must have amazed visitors to the capital city. Everywhere, the towers of magnificent temples glittered with gold or gleamed of copper. Golden lions guarded a bridge made of gold. The king resided in a palace beneath a golden minaret, where half-ton vessels of gold and silver served as decorations and everyday dishes were made of gold inset with precious stones or pearls. Expensive Chinese silks, handcrafted parasols, and fans were commonplace. The air was fragrant with costly sandalwood incense. Rest stations were strategically located to assist travelers, and hospitals offered health care to the ill or infirm.

The second half of Suryavarman's reign was less successful. He stubbornly continued to expend considerable time, energy, and assets in fruitlessly assailing two rival kingdoms in what is now Vietnam—Dai Viet, where he fought from 1126 through 1134, and Champa, where he waged war from 1145 through 1150. The expense of his expansionist policy was ruinous. Since little new territory was gained, Khmer farmers were hard-pressed to produce the surplus necessary to finance the wars. Khmer soldiers were exhausted from the constant battles and dispirited from their failed invasions. The kingdom's treasury was depleted from the glut of building in Angkor and from the cost of mounting elaborate military campaigns, including the ill-fated outfitting of a fleet of seven hundred ships for an attack upon Vietnam by sea in 1129. By the middle of the twelfth century, the Khmer kingdom was close to bankruptcy.

At this crucial juncture, Suryavarman II died, perhaps while engaging in yet another military invasion of Champa. A cousin, the son of his mother Narendralashmi's brother, succeeded Suryavarman as king of the Khmer; the new king was ironically named Dharanīndravarman II, after the king Suruyavarman had deposed. Compared to his dynamic predecessor, Dharanīndravarman II was a dull, weak ruler who could only inspire plots to replace him. From its apex during the harmonious, prosperous first fifteen years of rule under Suryavarman II, the Kingdom of Khmer went into decline. Internal dissension led to feuding among claimants to the throne, and the empire began to fragment.

By the early thirteenth century, construction in Angkor, a continuous activity in the city since its founding, had ceased. Because the reservoirs and irrigation ditches were no longer maintained, the canals became clogged with silt and thus unusable, causing farmers to seek greener, more productive land in other locations. Once the structure of their civilization collapsed, the Khmer faded into the jungle, abandoning Angkor and other population centers. By the mid-fifteenth century, not long after the Thais captured Angkor in 1431, essentially ending the Khmer empire, the magnificent former capital of the mighty Khmer was a vine-covered ghost town, and it would remain so until its rediscovery in the late nineteenth century.

Legacy

Suryavarman II came to power during a tumultuous time in Khmer history. He seized control of the kingdom and instituted a brief golden age, uniting the various factions of the kingdom under a strong, visionary ruler and developing the area's agriculture into a smoothly running, income-producing industry. A portion of the kingdom's riches was reserved for military conquest in order to gain lands vital to sustaining the agricultural economy. While Suryavarman was victorious in military campaigns in the west, south, and north, his eastern campaigns proved to be his undoing.

During his reign, much of the national wealth was returned to the populace in the form of improved irrigation, and the capital of Angkor was transformed into a resplendent ceremonial showpiece, boasting fabulously rich trappings and comfortable amenities. Suryavarman also built many shrines and temples in outlying areas of the empire, including Banteay, Samre, Thommanon, Beng Mealea, and Chau Say Tevoda, for subjects who could not visit the capital. For those who could visit Angkor, the centerpiece was Suryavarman's awe-inspiring, indisputably unique contribution to the kingdom's history—the temple of Angkor Wat.

—*Jack Ewing*

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See also: Kublai Khan.

First Duke of Sutherland

British aristocrat, landowner, and diplomat

Sutherland was one of the richest men in nineteenth century Europe. He used his wealth to promote railway development in the heart of industrial England, and he and his family attempted to alter the traditional agricultural society of the Scottish Highlands.

Born: January 9, 1758; London, England
Died: July 19, 1833; Dunrobin Castle, Sutherland, Scotland
Also known as: George Granville Leveson-Gower (birth name); Earl Gower; second marquess of Stafford; George Levenson-Gower; Viscount Trentham
Sources of wealth: Inheritance; real estate; railroads; investments
Bequeathal of wealth: Spouse; children

Early Life

The first duke of Sutherland was born George Granville Leveson-Gower in London on January 9, 1758. He came from an aristocratic family; his father, Granville Leveson-Gower, was the first marquess of Stafford, and his mother, Lady Louisa, was the daughter of Scroop Egerton, the first duke of Bridgewater. Young Sutherland, who was titled Viscount Trentham until 1786, was educated by a private tutor at Westminster and subsequently at Christ Church College, Oxford University, where he studied botany and Latin, French, English, and Italian literature and language. He made his first visit to Scotland in 1780 and also visited Ireland, acquiring opinions of the social improvements and political policies of both countries. In the early 1780's he traveled on the Continent, visiting France, Germany, Austria, Italy, and the Low Countries.

The wealth of the Levenson-Gower family originated in the English Midlands, where they owned land and were involved in industry and investments in Staffordshire and Shropshire. Through the years, the family increased its wealth by marrying rich heiresses. Sutherland continued this tradition by marrying Elizabeth Gordon, countess of Sutherland, in 1785. This marriage represented the convergence of two old families—one English, the other Scottish—with a vast combined ownership of land, magnificent country houses and castles, and political influence.

First Ventures

Sutherland held his first seat in Parliament in 1778 as the member for Stafford. He was appointed the British ambassador to Louis XVI of France from 1790, but he was recalled two years later because of the French Revolution. Sutherland was active in politics as member of Parliament for his family home counties until he was called to the House of Lords in 1798.

Mature Wealth

In 1803, Sutherland's maternal uncle, the duke of Bridgewater, died, and Sutherland inherited ownership of the Bridgewater Canal, as well as Bridgewater House, with its extensive galleries and art collection, to which he added his own art collection. He enlarged and improved Bridgewater House at considerable expense, and Sutherland opened his private art collection to the public. Sutherland's father also died in 1803, and he became the second marquess of Stafford, inheriting the family land and estates in Staffordshire and Shropshire. He continued to improve and manage his estates, land, and businesses in the Midlands with the help of estate manager James Loch, spending substantial sums remodeling the family's country houses. With his fertile land occupied by rent-paying tenants, the lucrative Bridgewater Canal, and coal and pottery businesses, Sutherland greatly increased his fortune.

Sutherland had retired from politics by 1812, devoting himself to the renovation of his estates and to patronage of the arts. At this time, he turned his attention to the improvement of his property in Sutherland, a peninsula in the far north of Scotland. His policies for economic reform of these estates, known as the Highland Clearances, were and remain highly controversial. His family's vast highland properties existed in virtual isolation from the rest of the world. The area's population lived a traditional, preindustrial lifestyle, raising cattle, oats, and potatoes in the interior at subsistence level. Sutherland spent considerable funds to develop the highlands by building roads and bridges. At the same time he conceived the plan of moving the population to the coast, developing fisheries and coastal industries, encouraging emigration, and converting the vacated interior glens to sheep pasturage. His attempts to execute this policy resulted in coercion and violence, and he was accused of destroying the traditional language and culture of the Scottish Highlands. Sutherland took money from his more fertile English estates in order to renovate his Scottish estates, which never became profitable.

The British Midlands, where Sutherland's family estates were located, was an area of rapid industrialization in the late eighteenth and early nineteenth centuries. This area encompassed the industrial cities of Manchester, Birmingham, and Liverpool. Stafford owned the Bridgewater Canal, which linked Liverpool and Manchester at a time when canals were a significant industrial transportation system. Sutherland realized that canals would eventually be replaced by railways, and in 1826 he began investing in the newly developing railroad industry. He was a major investor in the pioneering Liverpool and Manchester Railway, and he later financed an expansion of this railroad in order to connect it with the city of Birmingham. At the time of his death, a significant portion of his capital was invested in railways, along with other industrial and transportation stocks.

In 1827, Sutherland acquired York House, thereafter known as Stafford House, which he lavishly furnished and decorated at great expense. Stafford House was the largest and most extravagant of London's great town houses and would become a center of London society.

Before he died in 1833, he was elevated as the first duke of Sutherland. He died at Dunrobin Castle, the fam-

Stafford House

Stafford House, now renamed Lancaster House, is a mansion situated at the bottom of Green Park facing St. James's Park in the West End of London. The structure has been called London's greatest town house. The visual impact of this freestanding Palladian-style mansion, flanked by terraces and clad in Bath stone, is palatial. The interior, decorated in the style of Louis XIV, is dominated by a grand staircase, leading from the ground floor to the state apartments, and a long gallery on the first floor.

Originally called York House, construction of the town house began in 1825 as a residence for Frederick, duke of York and Albany, the second son of King George III. However, the duke became mired in debt, and when he died in 1827, the structure had not been completed. Upon his death, the land on which the residence was located was leased from the Crown, and the mansion was purchased by the first duke of Sutherland, then the marquis of Stafford, who renamed it Stafford House and modified the design to include gallery space for his private art collection. Construction proceeded gradually, initially commissioned by the first duke of Sutherland and then by his son, the second duke. The mansion, with its opulent interior decoration, was not completed until 1842, and it subsequently became a center of social life in London during the Victorian era. The house was used for grand receptions and lavish entertaining. Queen Victoria and Albert were frequent guests, as were many heads of state, politicians, and celebrities.

Both the first and second dukes of Sutherland were active art collectors. Until 1913, the galleries of Stafford House held one of the most important private collections of paintings, books, furniture, and objets d'art. The house and its collection were open to the public. However, the Sutherland family's fortune declined, and the mansion, designed for a formal lifestyle and to be maintained by a large household staff, became outmoded. The third and fourth dukes of Sutherland began to sell the art collection. In 1912, the fourth duke sold the house and the art that remained there; the rest of the collection had already been moved to the family's other residences or dispersed to museums, galleries, and private collections.

The Stafford House was purchased by William Lever, an aristocrat and industrialist, with the intention of converting it to a museum. He donated the house to the nation of Great Britain and changed the name to Lancaster House, and the London Museum was housed there until shortly after World War II. After the war, Lancaster House was used to entertain foreign dignitaries and was the site of international conferences. In the twenty-first century, the building is managed by the Foreign and Commonwealth Office and is a venue for conferences, meetings, and entertaining.

ily seat in Sutherland, on July 19, 1833. At the time of his death, he was the wealthiest man in Great Britain and Europe, with his holdings in land and stocks valued at more than £1 million.

Legacy

The first duke of Sutherland's life and work illustrate the uses of aristocratic wealth during the early nineteenth century. He not only was involved in the economic and social changes of his era but also was known for his extensive patronage of the fine arts. He continued the family tradition of buying and exhibiting an impressive collection of Old Masters, while also supporting contemporary British artists. He financed awards, encouraged exhibitions, and was a benefactor of the National Gallery of Painting. His own extensive collection, both inherited and purchased, was displayed to the public at Bridgewater House and at Stafford House. The inherited wealth of the Sutherland family allowed a succession of dukes to live an opulent lifestyle, dominating London society in the Victorian era.

—*Susan Butterworth*

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See also: Ninth Duke of Bedford; Georgiana Cavendish; Henry Cavendish; Hugh Grosvenor.

LOUIS F. SWIFT

American meatpacking magnate

As head of Swift & Company, the firm his father founded, Swift made the company the world's largest meatpacker, with annual sales climbing from $200 million in 1903 to $700 million in the late 1920's.

Born: September 27, 1861; Sagamore, Cape Cod, Massachusetts
Died: May 12, 1937; Chicago, Illinois
Also known as: Louis Franklin Swift
Sources of wealth: Inheritance; sale of products
Bequeathal of wealth: Children

EARLY LIFE

Louis Franklin Swift was the son of Gustavus Franklin Swift and Anna Maria Higgins Swift. He grew up in several towns in Massachusetts, where his father moved to establish meat markets. Swift's introduction to the meat-processing business occurred before his teen years, when he held a lantern so his father could butcher a steer. In 1880, he married Ida May Butler, and the couple had six children. At his death in 1937, only a son, Louis F. Swift, Jr., and a daughter, Ida May Minotto, survived.

FIRST VENTURES

At an early age, Swift became a cattle buyer for Swift & Company, the firm founded by his father. When the family moved to Chicago, Swift became head of the firm's pork division; two of his brothers managed the cattle and sheep divisions. In 1885, Swift became treasurer of the company when it was incorporated. The firm's capital

Louis F. Swift, right. (©Bettmann/CORBIS) value was $200,000, but in three years this amount climbed to $2 million because of the company's rapid growth.

Among other management concerns, Swift focused on the use and production of meat by-products. No part of an animal was to be thrown away. The lesser cuts of meat, such as liver or kidney, were sold in poorer areas of town. The fat was made into soap and the bone into knife handles. Swift & Company's margin of profit was so small that the sale of by-products often made the difference between earning a profit or operating at a loss.

Mature Wealth

At his father's death in 1903, Swift became president of the company and continued to expand the firm. Swift & Company had already started using iced railcars to keep meat fresh when it was shipped from the firm's slaughterhouses to various locations, especially the East Coast. The number of slaughterhouses had multiplied from one in Chicago to several others in prime locations. As refrigeration techniques developed and railroads expanded, Swift & Company was able to ship a larger volume of clean, dressed meat to markets all over the United States. The company also sold a significant amount of its products overseas.

Swift revered his father and tried to maintain the principles that his father had used to start and build the business. Among these principles were honesty, cleanliness, and wasting none of the animal. Swift followed his father's example by rewarding his employees for good work, not by praise but by salary increases, promotions, and chances to advance. He advised his workers to buy shares in the company because employees with financial stakes in the firm were more likely to work hard and would also increase their incomes. The company also established an employee benefit association.

Swift retired in 1932, becoming chairman of the board of his company that same year. Before his death on May 12, 1937, he had been in the hospital for several weeks but had not been considered seriously ill.

Legacy

Under Louis F. Swift's leadership, Swift & Company provided millions of people with clean, fresh, and high-quality meat. Before his company started shipping processed meat, people obtained beef and pork at the local butcher shop, where these products were often unclean and unregulated. Swift also helped his company develop canned meat, which could be shipped to customers worldwide and was an essential part of soldiers' diets during World War I.

In July, 2007, Swift & Company, based in Greeley, Colorado, was acquired by JBS S.A., the largest beef processor in South America and one of the largest worldwide beef exporters. Two months before the sale, Swift & Company reported that it had $9 billion in annual sales, was the world's third-largest processor of beef and pork products, and was the largest beef processor in Australia.

—*C. Alton Hassell*

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See also: Philip Danforth Armour; W. K. Kellogg; Ray Kroc; Reginald F. Lewis; C. W. Post; Marjorie Merriweather Post.

Henry Sy, Sr.

Filipino retail magnate and investor

Sy employed keen business insight, determination, and available resources to rise from poverty and become the richest man in the Philippines. In the process of building his wealth, Sy developed a new approach to shopping in the Philippines, earning the moniker "Father of Philippine Retailing," and created a foundation to help local residents.

Born: December 25, 1923; Ang-khue, Dieng-oh, Jinjiang, China
Also known as: Sy Chi Sieng; Shi Zhi Cheng (birth name); Father of Philippine Retailing
Sources of wealth: Retailing; real estate; investments
Bequeathal of wealth: Spouse; children; charity

Early Life

Henry Sy (see), Sr., the son of Henry H. Sy, was born in 1923 in a small village in China. When he was twelve years old, Sy traveled to Binondo, a district of commerce and trade for Chinese merchants in Manila, Philippines, where he joined his father, a shopkeeper with a *sari-sari* store, a privately owned convenience shop. Times were tough in 1936, and young Sy spoke no English, nor did he speak Tagalog, the principally spoken Philippine language. Despite these obstacles, Sy enrolled in the local school system and sold merchandise in his spare time. He completed elementary school. During World War II, his father's store was looted and his father returned to China, but Sy remained in the Philippines.

First Ventures

Sy's first business venture was selling American shoes brought to the Philippines by U.S. military personnel during World War II. In 1948, Sy opened a shoe store in the Quiapo district of Manila. Despite his previously minimal formal education, Sy successfully completed entrance requirements to enroll in an associate of arts degree program in commercial studies at Far Eastern University. The shoe entrepreneur traveled to the United States in 1955 to familiarize himself with new marketing techniques. Three years later, he applied his newfound knowledge by opening an American-style shoe store in Manila. The success of ShoeMart, later abbreviated to SM, led to the addition of two branch stores.

Mature Wealth

Since shoes were a limited commodity, in 1975 Sy chose to broaden his business enterprise by opening an integrated department store. Ten years later, despite the political and economic instability in the Philippines, Sy opened the SM City North EDSA supermall, which at-

Henry Sy, Sr., sits in a wheelchair as he is being escorted by his grandson Hans Sy, Jr. (AP/Wide World Photos) tracted more than 200,000 daily visitors. This mall was only the first of many to come. Among the most notable of his thirty malls are the SM Megamall, opened in Manila in 1991; a mall in Fujian Province, China; a mall in Guam; and the SM Mall of Asia in Manila. Each of these malls included a source of entertainment, such as a skating rink or IMAX film theater. Although Sy went into business in the 1940's, his first major financial success did not occur until he opened his malls in the 1980's.

In the process of building his retail empire, Sy diversified his interests to include retail merchandising, real estate (including residential towers), and financial services. Initially, Sy kept his business ventures privately owned, at least within the family, but in 1994, SM Prime Holdings, the shopping mall portion of the family subsidiary, went public. The firm was to become the highest revenue-producing company on the Philippine Stock Exchange.

By 2010, Sy's business interests included the SM Department Store, Inc., SM Investments, SM Development Corporation, SM Funding, and SM Keppel Land, Inc., as well as other corporations. Banking mergers gained Sy an additional $1.4 billion in 2007. In 2008, he obtained a 60 percent interest in the National University in Manila. That same year, his net worth was estimated at $3.1 billion. Sy continued to be an adviser and chairman for several company boards and to insist that his business operations be family-oriented. His wife, Felicidad Tan-Sy, and six children, Teresita, Elizabeth, Henry, Jr., Hans, Herbert, and Harley, became integral to company operations.

Legacy

Henry Sy, Sr., came from an underprivileged childhood in a small village in China and rose to become the founder and chair of SM Prime Holdings, the largest retailer and shopping mall owner in the Philippines. He is the wealthiest man in the Philippines, with several residences, including a $2 million log cabin, yet he has not forgotten his past. His conglomerate, the SM Group of Companies, operates the SM Foundation, which supports education, outreach programs, health projects, and religious organizations in communities surrounding his malls. In 2009, Sy was selected by *Forbes* magazine as that year's Hero of Philanthropy.

—*Cynthia J. W. Svoboda*

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See also: Frederik Meijer; Tan Kah Kee; Helen Walton; Sam Walton.

TAN KAH KEE

Chinese industrialist

Tan was a successful Chinese-born businessman who built numerous industries in Singapore and Malaysia. He established and funded the prestigious Xiamen University, the only mainland Chinese university founded by a Chinese native living outside the country.

Born: October 21, 1874; Jimei, Xiamen, Fujian Province, China
Died: August 12, 1961; Beijing, China
Also known as: Chen Jiageng; the Rubber King
Sources of wealth: Agricultural products; trade; shipping
Bequeathal of wealth: Educational institution

EARLY LIFE

Tan Kah Kee was born in Jimei, a fishing village on the outskirts of Xiamen in Fujian Province in southeast China. His father was Tan Kee Pek, and his mother was known as Madame Sun. Tan had a brother, Tan Keng Hian, and six adopted brothers, who were the sons of his father's concubines. When Tan Kah Kee was eight, he entered the village Confucian school. When he was sixteen, he left school to travel to Singapore in order to apprentice in Chop Soon An, his father's rice company. At this time, Singapore was part of British Malaya. The Chop Soon An company imported rice from Thailand and sold it to retailers in Singapore. It was a flourishing business but made little profit, largely because Tan Kee Pek spent his time managing his other business ventures, a sago factory and real estate, as well as smoking opium and consorting with concubines.

When Tan Kah Kee was nineteen, he returned to Jimei to marry Teo Po Ke, who lived in the neighboring village. In 1895, he returned to Singapore to assist his father in opening a pineapple plantation. His father's operations were worth about 400,000 Singapore dollars, equal to about $4 million in 2010 U.S. currency. In 1900, Tan returned to China to begin a construction project, in which a large section of Xiamen that had been destroyed by fire was rebuilt. When he returned to Singapore in 1903, he found his father deep in debt and Chop Soon An in crisis. Tan realized that there had been massive embezzlement by one of his father's adopted sons. He took over his father's business, reorganizing its operations and its debts.

FIRST VENTURES

Tan founded his first firm in 1904, the Sin Lee Chuan pineapple company outside Singapore. He was soon making a profit of 40,000 Singapore dollars from this venture. He then established the Kiam Aik rice company, and in 1905 he began to create a pineapple plantation. The plantation was well run and Tan had enough money to establish the Hock Shan rubber plantation in 1906. He sold enough rubber from his plantation to pay off his father's debts.

He soon moved into rubber manufacturing. His rubber operations were hugely successful and constituted the basis of his lifelong fortune. Tan automated his rubber factory and became known as "the Henry Ford of Malaya," as well as the "the Rubber King." By 1911, he was a millionaire. Tan used his profits to acquire his own shipping operation. In 1916, he bought his first steamer ship, the *Khiam Hong*, for $300,000; the next year, he paid $420,000 for the steamer *Warrimoo*. With his success in business, he began thinking of charitable endeavors, and his devotion to Confucianism led him to the field of education. He built several primary and secondary schools in his hometown of Jimei. On 1917, he founded a high school in Jimei that would become well known.

Tan's wife, Teo Po Ke, died in 1917. Tan and Teo had seven children. He eventually married three other women, Goh Shik Neo, Yap Kheok Neo, and Zhou, and with these wives he had eleven additional children. He also took several concubines.

MATURE WEALTH

Tan's proudest moment came in 1919, when he conceived of a new university in Xiamen, the first that would be funded by a Chinese native living outside the country. Ever since the attempted reforms of the Qing Dynasty, universities had played a critical social and political role in China. Peking University was founded by the Qing reformers in 1898, and this school played an instrumental role in the May Fourth Movement of 1919, in which student protesters denounced imperialism and the weakness of the Chinese government.

Xiamen University opened in 1921. Tan financed the school with profits from his businesses, which were considerable. In 1919, his assets were 4 million Singapore dollars; six years later, he was earning 8 million Singapore dollars a year and his total assets were worth 12 million Singapore dollars. His primary business was rubber, but he was also successful in other ventures, such as pineapple growing and canning, the manufacture of various products, shipping, sawmills, an import-export business, rice cultivation and trading, and real estate. The hub of his business empire, his rubber plantations and industry, was worth 6 million Singapore dollars. His enterprises employed more than thirty thousand workers, with 140 offices on five continents, and he conducted business with forty-eight countries.

Tan owned three mansions, including Carinhill, which boasted an extensive garden. He also owned a German-made luxury car, the Daimler 1314. He was president of the millionaires' Ee Ho Hean Club. Tan was the acknowledged leader of the Singapore Chinese community, and he founded several schools in Singapore, including the Chinese High School. During the 1920's, his income provided the only financial support for the Jimei schools and Xiamen University.

However, his businesses suffered during the Great Depression. Commodity prices throughout the world were deflated, and Tan saw the price of his rubber steadily decline. Nevertheless, he continued to support Xiamen University and various other schools. In 1934, he sold his businesses, retaining a fortune for himself of about 6 million Singapore dollars. During the next few years, he concentrated on guiding and funding Xiamen University. He also raised money to assist Chinese people who were suffering under the occupation of invading Japanese troops. In 1942, Tan fled to Java to escape the Japanese.

After World War II, he became disgusted with the corruption of the Kuomintang Party and looked favorably upon the Chinese Communists. After the Communist Revolution, he returned to China permanently on May 21, 1950. Chinese leader Mao Zedong apparently considered Tan one of China's national capitalists, and Tan was not mistreated by the Communists. Tan assumed minor administrative posts in the government but devoted most of his time to Xiamen University. He died in 1961, leaving an estate valued at $3 million. He bequeathed $2 million to the Jimei schools, and the remaining $1 million to other charities. Tan was accorded a state funeral with high honors. The major Chinese leaders—Mao Zedong, Zhou Enlai, Zhu De, Liu Shaoqi, and Madame Sun Yat-sen—attended his funeral to pay their respects.

WEALTH AND LEISURE

Great wealth implies leisure. For most of history, the majority of humankind's time has been dominated by the necessity of working for sustenance. Work hours were long, while free time was scarce. However, the wealthy did not share this burden. With riches came the ability to employ time as one chose, beyond the need to earn one's daily bread.

The philosopher Joseph Pieper, in *Leisure, the Basis of Culture* (1952), wrote that leisure is necessary for a life of cultural and intellectual accomplishment. For example, Chinese businessman Tan Kah Kee used his leisure time to write five books about Confucian thought and ethics. The economist Thorstein Veblen expressed a different opinion of leisure than Pieper. In *The Theory of the Leisure Class* (1899), Veblen coined the terms "conspicuous consumption" and "conspicuous leisure" to describe how wealthy people wasted their time and money in the pursuit of status.

During the twentieth century, the amount of leisure time expanded for all segments of society in many areas of the world. With an eight-hour workday, weekends, summer vacations, and long-lived retirements, as well as the growth of public parks, resorts, and cruises, leisure is no longer the exclusive province of the wealthy. However, some wealthy people continue to indulge in conspicuous consumption, leading extravagant lifestyles and pursuing expensive recreational activities.

Golf, sailing, and tennis have long been the forms of recreation that are most associated with the elite. However, the only sports that truly represent great wealth involve horses, because only the very wealthy can afford to purchase and maintain a stable of thoroughbreds. Wealthy people race horses, play polo on horses, and hunt on horses. The traditional sport of the English nobility was the fox hunt, in which hunters pursued the fox on horseback.

No single item, however, represents wealth and leisure more than the yacht. Greek shipping magnate Aristotle Onassis's chief residence was his yacht, *Christina*, which featured a bathroom that replicated King Minos's lost palace of Knossos. Arms dealer Adnan Khashoggi's yacht, *Nabila*, was sold to Sultan Hassanal Bolkiah of Brunei, who sold it to American real estate developer Donald Trump, who sold it in 1991 for $40 million to Saudi investor Al-Waleed bin Talal, who renamed it the *5KR*. Even the *5KR*, however, is dwarfed by the new breed of superyachts, equipped with every possible luxury, such as computer magnate Larry Ellison's *Rising Sun*; Microsoft cofounder Paul Allen's *Octopus*; the ruler of Dubai, Muḥammad bin Rāshid Āl Maktūm's, appropriately named *Dubai*; and Russian businessman Roman Abramovich's *Eclipse*, the largest of them all at 560 feet.

LEGACY

Tan Kah Kee was an outstanding businessman, who during his career founded thirty factories, one hundred stores, and several pineapple and rubber plantations. He was one of the leading rubber manufacturers in the world, and he also operated shipping, import-export, and real estate businesses. He contributed about 10 million Singapore dollars to various educational projects, which has been estimated as the equivalent of $100 million in 2010 U.S. currency.

Besides other educational ventures, he founded Xiamen University, which has continued to grow in importance as one of China's premier institutes of higher education. Since Tan founded the university in 1921, 150,000 students have graduated from the school. In 2009, Xiamen University comprised twenty-two schools, sixty academic departments, and ten research institutes and had 2,383 full-time faculty members. Its campus, sandwiched between the mountains and the ocean, is breathtakingly beautiful.

—*Howard Bromberg*

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Jamsetji Tata

Indian industrialist

Tata is considered the father of Indian industry. He founded the Tata Group of industrial companies, which remained dominant in India into the twenty-first century.

Born: March 3, 1839; Navsari, India
Died: May 19, 1904; Bad Nauheim, Hesse, Germany
Also known as: Jamsetji Nasarwanji Tata; Jamsetji Nusserwanji Tata
Sources of wealth: Manufacturing; real estate
Bequeathal of wealth: Children; charity

Early Life

The lineage of the Tata family can be traced back to Sherirar, who was a Zoroastrian Parsi living in Gujarat around the tenth century. The Tata family meticulously kept its family tree from that point forward and records about twenty generations of Tatas before the birth of Jamsetji Nasarwanji Tata (jahm-SEHT-jee nah-sahr-WAHN-jee TAH-tah) in 1839. The men in each generation were priests in the town of Navsari in Gujarat.

Jamseti's mother and father were Nusserwanji Tata and Jeevanai Tata. Like his ancestors, Jamsetji received an education as a Zoroastrian priest, learning the prayers and scriptures of his religion. In 1852, his father moved the family to India's largest commercial city, Bombay (now Mumbai), to begin a trading business. Jamsetji attended Elphinstone Institution and College from 1853 to 1858. In 1857, he married Heerabai Daboo. The couple's first son, Dorabji, was born in 1859, and their second son, Rata, was born twelve years later.

In 1858, Tata began working in his father's trading business, Nusserwanji and Kaliandis. He traveled to Hong Kong to work in a branch of his father's company, selling cotton and opium to Chinese merchants in exchange for silk, tea, gold, and spices. From there, he trav-

The Tata Group

The Tata Group was the leading industrial entity of twentieth century India and a legacy of Jamsetji Tata. Since Tata's death in 1904, the majority of this conglomerate's chairmen have been members of Tata's family. His eldest son, Sir Dorabji Tata (1859-1932), became chairman upon his father's death. Dorabji opened three hydroelectric power plants and turned the Tata Iron and Steel Company (now Tata Steel) into the largest steelmaker in India. With great ambition, he moved the Tata Group into the manufacturing and provision of textiles, chemicals, electrical works, cement, tea, management services, and motor vehicles, and he opened the company's first overseas branch in London. Continuing Jamsetji's concern for worker conditions, Dorabji introduced the eight-hour workday for employees of Tata industries. He also created the Sir Dorabji Tata Trust, which performs educational and charitable work.

Sir Nowroji Saklatvala (1875-1938) was chairman of the Tata Group from 1932 until 1938, when Jehangir Ratanji Dadabhoy Tata (1904-1993) assumed the position. Better known as J. E. H. Tata or J. R. D. Tata, he expanded the Tata Group to include more than one hundred industries. He developed civil aviation in India and founded the nation's first commercial airline, Tata Airlines, which later became Air India. Tata Exports was established in 1962. Ratan Naval Tata (b. 1937) took over as chairman in 1991. He made Tata Motors a worldwide force in automobile production, and under his leadership Tata Telecommunications began doing business in 1996.

As of 2010, the Tata Group remained one of the world's largest industrial conglomerates. It was India's largest private sector employer, with a workforce of about 350,000. Tata Steel produced five million tons of steel annually, earning $4 four billion in revenue and employing forty-four thousand workers. Tata Motors was one of the largest automakers in the world, ranking second in the production of commercial vehicles, fourth in truck manufacture, and second in bus manufacture. Tata Tea supplied tea to 1.2 million retail stores. Titan Industries, a subsidiary of the Tata Group, was India's largest producer of personal accessories. Tata Chemicals was the second-largest producer of soda ash in the world. Voltas, another Tata Group subsidiary, was among India's leading air conditioning, refrigeration, and engineering services companies. Tata Consulting Services employed more than 130,000 trained information technology consultants in forty-two countries, generating revenues of $5.7 billion annually.

Reflecting Jamsetji Tata's philanthropic outlook, about 65 percent of the Tata Group is owned by charitable trusts created by Jamsetji and his descendants. Because an unusually large amount of the Tata Group's income is directed to philanthropic activities, such as support for the prestigious Indian Institute of Science in Bangalore, no member of the Tata family has enough "liquid capital" to be listed in the 2010 *Forbes* magazine list of the world's billionaires. However, in their creation and control of a nation's industry and their support of philanthropic activities, the Tatas have few equals.

eled to Singapore to set up a similar trading branch. Tata did well until cotton prices crashed in 1864.

First Ventures

India is a venerable and diverse civilization, recognizing many ethnic groups and religions. It is a sign of Indian tolerance that traditional minorities in India, such as Parsis, Jains, Ismāʿīlī Muslims, and Armenians, have been successful merchants. During the centuries when India was part of the Mughal and British Empires, the country benefited from the participation of various religious and ethnic groups in trading ventures. For example, Sir Jamsetjee Jeejebhoy, first baronet, was a well-known Parsi merchant of the early nineteenth century who amassed a huge fortune of 30 million rupees by trading with English businessmen. Jeejebhoy established more than one hundred charities in India and was the first Indian to be knighted and appointed a baronet.

However, while trade and agriculture were the backbone of the nineteenth century Indian economy, the nation had failed to establish a modern industrial sector. India's highly regarded merchandise, such as textiles and cotton, were primarily produced by human labor, without the aid of machines. It was Jamsetji Tata who would develop mechanized industries in India. He witnessed the progress of the Industrial Revolution in England and wanted to bring similar technology and manufacturing techniques to India. From 1864 to 1868, he studied industrial works in Manchester and other English cities.

Tata and his father earned a profit by providing supplies to armed forces of the British Empire during the 1868 Expedition to Abyssinia. With 21,000 rupees that he accumulated from this transaction, Tata purchased an oil mill in Chinchpokli that had gone bankrupt. He renovated the facility so it could produce cotton cloth, renaming it the Alexandra mill. In 1874, he opened a new cotton mill in Nagpur, which he named the Central India Spinning, Weaving and Manufacturing Company.

When Queen Victoria was declared empress of India in 1877, Tata renamed the facility the Empress mill, which signified both his loyalty to the British Empire and the beginning of the Tata industrialization of the Indian economy.

Mature Wealth

In 1886, Tata established the Svadeshi mill with the explicit goal of outperforming the British in cotton production. In 1887, he founded Tata and Sons, which would be the core of his industrial empire. Tata brought the Industrial Revolution to his mills, making them highly mechanized and continually seeking the latest technological improvements. He was a paternalistic boss, improving labor conditions and installing ventilation at his mills, which resulted in decreased employee absenteeism. In 1886, he instituted a policy for providing employee bonuses. The same year, he started an insurance fund for his workers and introduced a pension fund in 1887. Eight years later, he formed an accident compensation fund. Recognizing India's industrial needs, he set in motion plans for steelworks and hydroelectric plants.

Tata spent 600,000 rupees to build his splendid Esplanade mansion. He also used his wealth to improve educational opportunities for Indians. In 1892, he founded the J. N. Tata Endowment to pay for numerous scholarships, the recipients of which were known as Tata Scholars. In 1896, he donated fourteen buildings and 3 million rupees to establish a university. In 1903, he opened the magnificent Taj Mahal Palace Hotel in Bombay, which was operated as part of his India Hotel Company, indicating that he envisioned creating a chain of hotels. The Taj Mahal Palace cost £250,000 to build, the rough equivalent of about $200 million in 2010 U.S. dollars, and was the first luxury hotel in India. It also was the first building in Bombay with electricity, as well as American fans, German steam elevators, Turkish baths, and English butlers. Not long after the hotel opened, Tata became ill, and he died on May 19, 1904.

Legacy

Jamsetji Tata is the founder of modern industrial India. He introduced technological innovations to his cotton mills. With amazing rapidity he earned a great fortune, and he planned to use his wealth to industrialize the Indian economy by building a modern hotel, a university, steelworks, ironworks, and hydroelectric power. He lived to see only his hotel built. However, the university he endowed, the Indian Institute of Science in Bangalore, opened in 1909 and is one of the world's premier educational institutions. His plans for hydroelectric power came to fruition in 1910 with the opening of a Tata hydroelectric plant, and his planned steel mill, the Tata Steel plant in Sakchi, opened two years later. For the remainder of the twentieth century, the Tata Group of industries, with such major companies as Tata Motors, continued to lead the way in the industrialization of India.

On November 26, 2008, the Taj Mahal Palace Hotel, which Tata constructed in Bombay, was attacked by terrorists, and more than one hundred guests were killed. The hotel was badly damaged in the attack. However, in a demonstration of resiliency worthy of Jamsetji Tata himself, the hotel was swiftly rebuilt and reopened within a month.

—Howard Bromberg

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See also: Mukesh Ambani; Ghanshyam Das Birla.

Moses Taylor

American investor, banker, merchant, and industrialist

Taylor was one of the earliest American investors to amass great wealth through diversification of holdings, and his promotion of the utilities, railroad, and coal industries was instrumental in their growth. His management of City Bank was responsible for its development into one of the country's most prosperous financial institutions.

Born: January 11, 1806; New York, New York
Died: May 23, 1882; New York, New York
Sources of wealth: Banking; investments
Bequeathal of wealth: Spouse; children; medical institution

Early Life

Moses Taylor was born in New York City in 1806. His father was a successful businessman who served as an agent for John Jacob Astor, the wealthy fur merchant and New York power broker. Taylor completed his formal education at age fifteen and went to work as an apprentice, first for the firm of J. D. Brown and then for G. G. and S. S. Holland, merchants involved in the import and export business. For seventeen years he moved up steadily in the company, learning all aspects of the commodities trading business, so that in 1832, with $15,000 in savings and a $35,000 loan from his father, he was able to start his own mercantile firm. Shortly before he struck out on his own, he married Catherine Wilson; the couple would eventually have six children.

First Ventures

Taylor quickly proved to be a shrewd businessman and an even more competent investor. His import business, largely concentrated on bringing in sugar from Cuba, produced notable profits, and by 1838 he was worth $200,000. Never one to spend carelessly, he invested his earnings in various other businesses, particularly City Bank of New York. In 1837, Taylor was elected a director of the bank, putting him in a position to guide that organization's moneylending to merchants and allowing him to find appropriate investments for his own growing income. While he continued to work actively in his business, Taylor devoted considerable time to his duties at City Bank, even serving as interim president in 1842. He formally separated his commercial business from his investment activities in that year. Gradually, he became more active in the firms in which he was placing his money. In 1849, he admitted Percy Pyne as a full partner in his business and turned over many of the daily management tasks to him.

Mature Wealth

Free to pursue his interests in companies in which he had significant investments, Taylor gradually moved away from activities involving commodities trading into banking and investments in various industries. City Bank became the hub of his financial empire. His own money was deposited there, as were funds from the companies in which he had controlling interest. In 1856, he became the bank's president, a position he held until he died. Because Taylor insisted the bank maintain significant cash reserves, there was always "ready money" for loans to various commercial and industrial enterprises. The interest payments made by these enterprises allowed the bank to pay its shareholders (including Taylor, who held a majority of the bank stock) annual dividends of 10-20 percent. His position as a director of Farmers Loan & Trust gave him further opportunities to generate profits from mortgages and loans made to companies in which he was involved. Taylor's conservative banking policies helped City Bank (renamed National City Bank of New York in 1863) to weather three periods of financial crisis in the

United States, each time emerging as a stronger institution.

From his earliest days as a merchant, Taylor invested in local businesses other than his own, usually ones owned by fellow directors at National City Bank. He was heavily involved in the shipping industry until the advent of the Civil War, largely as a means of assuring deliveries between Cuba and his warehouses in New York City. In 1841, he became a principal shareholder in the Manhattan Gas Company, one of the city's suppliers of a commodity critical to providing light and heat before the rise of electrical power. As a director of this utility, Taylor took an active role in managing its operations and negotiating mergers or working agreements with competitors. He also put money into a number of other utilities in New York and New Jersey, eventually becoming a director of the New York Gas Light Company in 1865.

As early as the 1840's, Taylor began investing in railroads. By 1856 he was a major shareholder in the Delaware, Lackawanna & Western Railroad, one of the principal lines transporting coal from western Pennsylvania to the East Coast. He also invested in other rail lines in Pennsylvania, New Jersey, the Midwest, and the South. As was the case with most of his forays into enterprises other than his own firm, Taylor's general practice was to make a modest investment initially, and, if the venture showed promise, he would purchase sufficient shares to exert direct control over the railroad's operations. As an adjunct to his railroad ventures, he established the Jersey Shore Improvement Company, which improved land along the Hudson River that eventually was sold to the Delaware, Lackawanna & Western line, netting Taylor a profit of $400,000. Sometimes Taylor made money simply through extended loans to railroads in which he did not have controlling interest. For example, his decision to underwrite operations of the Pennsylvania & Reading Railroad brought him a profit of $750,000 in 1871.

Closely aligned with Taylor's investments in railways were his ventures in the coal and iron industries. In 1843, his involvement with the gas company led Taylor to invest in coal. Realizing that great profit could be made in businesses that served the needs of a growing industrial society, Taylor gained controlling interest in the Lackawanna Iron & Coal Company. In addition to mining, this company was involved in manufacturing rails for the growing railway industry. This enterprise alone brought Taylor significant revenues during the Civil War years, when the federal government took an active role in improving railway transportation in order to move troops and equipment. Taylor purchased stock in other coal companies and iron manufacturers and invested in other industries, such as zinc mining and manufacturing, further diversifying his holdings in businesses that were fueling the country's growth as an industrial power.

Throughout his career, Taylor invested in insurance companies, many of which provided underwriting for the companies in which he was a shareholder. In 1854, Taylor put money into Cyrus West Field's venture to lay a cable across the Atlantic, and in 1866 he saw his decision to back that enterprise come to fruition with the success-

Moses Taylor Hospital

In March, 1882, Moses Taylor made the most significant charitable contribution of his life—a donation of approximately $270,000 to establish a hospital in Scranton, Pennsylvania, for the treatment of employees of the Delaware, Lackawanna & Western Railroad and the Lackawanna Iron & Coal Company. Workers at these companies would receive free hospitalization and medical treatment for any reason, not just job-related injuries. Taylor's motives may have been philanthropic, but it is almost certain that practical business considerations entered into his decision. Workers in these companies were often injured, and providing them with adequate health care was a way to maintain good employee relations.

In 1884, Taylor's daughter and son-in-law made a $100,000 gift to the hospital fund, assuring that sufficient funds would be available to construct the medical center without resorting to borrowing.

Construction of the hospital took several years. When completed, the building occupied a city block in downtown Scranton. It opened its doors to patients on October 1, 1892. Four years later, a nursing school was established at the hospital, and a branch was opened in Buffalo, New York, another location where Taylor's companies were operating. The Buffalo facility closed in 1952. In Scranton, however, Moses Taylor Hospital remained an important fixture on the health care landscape. Gradually the hospital changed its policies to allow for treatment of patients who were not employees of the companies originally designated as beneficiaries of Taylor's bequest. Over the years the hospital was able to respond aggressively to changes in the health care industry. In the twenty-first century, Moses Taylor Hospital operated as a full-service community health care facility, employing more than 1,200 people, and it was part of the Moses Taylor Health Care System, which included another hospital and a multispecialty physicians' group.

ful installment of a transatlantic cable. When Fields's Anglo-American Telegraph Company merged with Western Union Telegraph Company in 1866, Taylor became a director of this company.

This diversified portfolio of investments generated increasingly large profits for Taylor. By the mid-1850's his annual income exceeded $250,000; a decade later it had risen to $1.4 million. These figures do not take into account the value of his investments, which ran well into the millions of dollars. He always had significant funds available for investment because he and his family lived comfortably but modestly. He did move several times to increasingly fashionable houses, eventually building a mansion on Fifth Avenue near Eighteenth Street in New York City and a vacation home in Long Branch, New Jersey. Nevertheless, his annual living expenses never exceeded $100,000, leaving him as much as $1 million in new income each year to loan out at interest or purchase stocks and bonds in companies he thought showed promise.

Although he was never a prominent figure on either the social or the political scene, Taylor occasionally became involved in both arenas. From time to time he donated modest sums and sometimes lent his name to committees raising funds to support civic causes. During the Civil War he was instrumental in getting the New York banking community to loan money to the federal government in order to support the war effort. Sadly, his involvement as a member of an audit committee in 1870 tarnished his reputation. One of three prominent financiers asked to examine the books of the city of New York just prior to an important mayoral election, Taylor provided an endorsement for the current administration, which had been portrayed by the media as exceedingly corrupt. He and his fellow committee members were immediately pilloried in the press as stooges of the Tweed Ring and Tammany Hall, which was believed to be controlling politics in the city for its personal profit. Even Taylor's reputation as an honest tradesman, financier, and industrialist could not save him from opprobrium.

Legacy

Estimates of the value of Taylor's estate made at the time of his death in 1882 varied widely, from a low of $30 million to a high of $50 million. Later valuations suggest the number was closer to $40 million (the equivalent of approximately $40 billion in 2000). Just before he died, Taylor donated approximately $270,000 to establish a hospital in Scranton, Pennsylvania, to care for workers at the Delaware, Lackawanna, & Western Railroad and the Lackawanna Iron & Coal Company. The remainder of his fortune passed to his wife and children.

His greatest legacy as a businessman, however, was his development of City Bank into one of the largest and most important financial institutions in New York City. From the foundations put in place by Taylor, this organization continued to grow in size and influence throughout the twentieth century. By the twenty-first century, the bank had become Citibank, one of the world's leading financial institutions.

—*Laurence W. Mazzeno*

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See also: August Belmont; Jim Brady; Jay Cooke; Anthony Joseph Drexel; Cyrus West Field; Andrew Mellon; Richard B. Mellon; J. P. Morgan; James Stillman.

Tenkamenin

Soninke caliph

Tenkamenin expanded the Ghana Empire to the height of its power and wealth. Although he enriched himself through taxes and tributes, Tenkamenin was also known to be a just and sympathetic king who went out among the people to hear their concerns.

Born: c. 1010; probably Ghana Empire (now in Mali, Mauritania, and Senegal)
Died: c. 1078; probably Ghana Empire
Also known as: Tunka Manin
Sources of wealth: Inheritance; government
Bequeathal of wealth: Unknown

Early Life

Tenkamenin (tehn-kah-MEHN-ihn) was probably born in the Ghana Empire around 1010. Nothing is known about the first half century of his life. The Ghana people, or the Wagadou, did not keep written records; what is known about them comes primarily from the accounts of an Arab historian who recorded his interpretations in 1067.

First Ventures

Tenkamenin became caliph, or ruler ("tunka" means "ruler" in the Soninke language), of the vast kingdom of Ghana in 1062 or 1063. According to custom, he inherited the throne from Bassi, his mother's brother. The common practice in sub-Saharan Africa at this time was for a single word to be used both for the name of a capital and for its ruler; thus, the word "Ghana" means "king" in Malinke. The empire, also called the Wagadou Empire ("Wagadou" means "land of the herds" in Soninke), covered the territory that is now western Mali, southeastern Mauritania, and eastern Senegal, northwest of the present country of Ghana. The empire was blessed with important natural resources: gold to the south, and salt, equally valuable, to the north. Ghana exploited both resources, and the empire served as a central point for trade between the ivory and gold producers to the south and the Berber traders to the north.

Mature Wealth

Collecting taxes from traders and tributes paid by conquered tribes brought Tenkamenin great wealth, and he lived and ruled in a splendid palace filled with sculpture and other art. According to the law, only the king could own gold nuggets. Other people were allowed to own gold dust, but in practice, all of the gold found in the kingdom belonged to the king. Tenkamenin's complex at Kumbi Saleh included temples to local gods, the burial chambers for his predecessors, and a prison for political prisoners. Under his rule, Ghana's trade in gold, salt, copper, and other commodities expanded significantly.

Tenkamenin was known for his spectacular appearance. He wore clothing trimmed in ivory, gold, and jewels, and he presented himself as a semidivine being and a democratic ruler whom his subjects were eager to serve and protect. His throne room, where he was known to listen attentively to the needs of the common people, was guarded by armed pages, vassals, and thoroughbred dogs wearing gold and silver collars.

Tenkamenin's palace was fortified and well defended, in part because the kingdom was periodically attacked by the Almoravids, led by Abū Bakr ibn ʿUmar. For several years, Tenkamenin fought off the Almoravids, drawing on his military forces that Arab historian al-Bakri (1014-1094) described as comprising 200,000 warriors, including some forty thousand armed with bows and arrows. In 1076, the Almoravids seized power and established Islam as the official religion of the region. These were not the first Muslims to inhabit the Ghana Empire; for many years, Muslims had worked as scribes and officials, and the capital city had a mosque.

Tenkamenin died about two years after the decisive invasion, possibly murdered by the Muslim prince Kema-Magha, and he was buried, with several of his retainers, under a mud and timber dome.

Legacy

Tenkamenin was the last king of the Ghana Empire and the last of the animist rulers before Islam became the dominant religion in the area. The Ghana Empire reached its peak under his rule. His insistence upon listening to the concerns of his subjects and seeking a more democratic form of government made his reign one of the great models of African rule. However, his kingdom disintegrated abruptly after the Almoravid invasion in 1076.

—*Cynthia A. Bily*

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William Thaw

American railroad and canal executive

Through his ownership and management of Pennsylvania's canal system and of railroad lines in the East, Thaw improved the transportation system and thus the commerce of the United States.

Born: October 12, 1818; Pittsburgh, Pennsylvania
Died: August 17, 1889; Paris, France
Sources of wealth: Transportation systems; railroads; investments; real estate
Bequeathal of wealth: Spouse; children; charity; educational institution

Early Life

William Thaw was born in Pittsburgh, Pennsylvania, in 1818 to John and Elizabeth (née Thomas) Thaw, who were of Scots-Irish ancestry. John Thaw was the scion of a Quaker family who had lived for many generations in Philadelphia. He relocated from that city in 1804 to become chief clerk of a Pittsburgh bank. William attended the Western University of Pennsylvania (now the University of Pittsburgh). At the age of sixteen he had already been employed by the Bank of the United States to travel through the Ohio Valley on horseback in order to make collections. It may well have been on these journeys that his interest in the improvement of transportation was fostered. By the age of seventeen he was a clerk with a firm of merchants.

First Ventures

In 1840, Thaw and his brother-in-law Thomas Clarke became partners in Clarke & Thaw, a company that owned a number of canal boats and steamboats. In this era canals were a major factor in Pennsylvania commerce, especially because they had recently been linked by major land routes. With the completion of this linkage, an unbroken route from Philadelphia to western Pennsylvania was a reality. Clarke & Thaw's ownership of the Pennsylvania and Ohio Canal Line put the partners in a good position to profit from Pittsburgh's newly enhanced role in trade. In 1841, Thaw married Eliza Burd Blair, and the couple had two daughters and three sons. Eliza died in 1862.

Mature Wealth

During the fifteen years following the founding of Clarke & Thaw, the partners grew prosperous by transporting goods along canals and rivers. The partners were said to have a financial stake in at least 150 steamboats owned by various companies, including the Pittsburgh and Cincinnati Packet Line. In 1855, the partnership dissolved when Clarke and Thaw sold off their interests in canal transportation in order to concentrate on railroads, which by then were becoming increasingly important in the commerce of the United States. Thaw first entered the railroad business by working for the freight agents of the Pennsylvania Railroad.

A year or two later, he and Clarke reunited to form Clarke & Company, a freight company for goods being transported west from Pittsburgh. With the abundance of railroad lines, the shipment of freight was not only poorly coordinated but also quite expensive. Toward the end of the Civil War, a group of men working for the Pennsylvania Railroad introduced a system for economically transporting freight via different railroads through an entity called the Star Union Line. Thaw was one of these men, and he was in charge of the line from its establishment in 1864 until 1873.

During these years, Thaw was also second vice president of the Pennsylvania Company, which managed the several lines that the Pennsylvania Railroad operated north and west of Pittsburgh. In the 1880's, Thaw was a director of the Pennsylvania Railroad itself, providing oversight of the company's internal and financial affairs. At the same time he was a vice president of the Chicago, St. Louis and Pittsburgh Railroad. Thaw's other major positions included directorships of the Atlantic and Pacific Ship-Railway and the International Navigation Company. He also founded the East St. Louis and Interurban Water Company.

In his position at the International Navigation Company, Thaw was instrumental in the establishment of the first international shipping company, the Red Star Line. He had now become enormously wealthy, with a fortune estimated at between $8 and $12 million, an amount equivalent to hundreds of millions of dollars in the early twenty-first century. Thaw also had sizable investments in railroad and transportation companies, as well as in coal-bearing lands. When he died in 1889, he was considered to be one of the one hundred wealthiest Americans. Although Thaw was as rich as many of the "robber barons" of his era, he was generally considered an upright citizen who had made his money in an honorable fashion. Upon his death he seemed genuinely mourned by all who knew him.

Thaw had remarried in 1867 to Mary Sibbet Copley, with whom he had five more children, once again three sons and two daughters. Harry Kendall Thaw, a son from his second marriage, was to become one of the most notorious men in the United States at the beginning of the twentieth century. Harry, born on February 12, 1871, apparently was mentally unstable from childhood. His mother later claimed in court that his problems had started in the womb. As the son of the rich and revered William Thaw, however, Harry was given much latitude. Even though one private school after another proved unable to cope with him, he attended the University of Pittsburgh, as well as Harvard University, from which he was expelled for chasing a cab driver with a shotgun.

Because of Harry's instability, William Thaw had left his son's share of the vast inheritance in trust, and Harry was granted only $200 a month. However, his formidable but indulgent mother increased his allowance to $80,000 a year, a fortune at this time. This allowance enabled Harry to pursue his vices, which included gambling, drinking, using drugs, and pursuing usually unsuitable female companionship. It was during one of his carousals that he met the famed society architect Stanford White, also a connoisseur of young womanhood. The two men were almost immediately antagonistic toward one another, but their fatal encounter, often dubbed the Crime of the Century, resulted from a rivalry over Evelyn Nesbit. Nesbit, born in 1884, was a beautiful showgirl who had come to New York as a teenager, became an artist's model, and then was a stage performer in the renowned musical *Florodora*. She became White's lover when she was only sixteen. After their relationship ended, Harry began wooing her, and they were married in 1905. By this time, Harry was exhibiting signs

The Allegheny Observatory and the Thaw Memorial Refractor

The upgrading of the Allegheny Observatory in Pittsburgh was underwritten by William Thaw's largesse. In 1866, he gave the observatory a gift that paid off the facility's debt and provided an endowment for its ongoing operations. The progenitor of the observatory had been established in 1859 by a group of prominent citizens, known as the Allegheny Telescope Association, soon to be renamed the Allegheny Observatory Society. The structure itself was opened in 1861 and featured a 13-inch telescope, at that time one of the largest in the world.

The observatory was located on the campus of Thaw's alma mater, the Western University of Pennsylvania, and its first director was Professor Lucien Bradley. In 1869, the observatory was the first to broadcast time signals over telegraph lines to local businesses and the Pennsylvania Railroad. This service permitted the railroad to operate more safely and efficiently and partially paid the cost of the observatory's operations.

However, it was not considered a major observatory until its affiliation with the Western University of Pennsylvania (now the University of Pittsburgh) in the late 1860's. Its director at this time, Samuel Pierpont Langley, befriended Thaw, who had an abiding interest in science and whose grants to astronomical instrument maker John Brashear helped to make Pittsburgh a leader in that industry. Brashear later served as interim director of the observatory. Among the research conducted by the facility in this period were studies of lunar heat, the solar spectrum, and heavier-than-air flight.

Construction on a new observatory began in 1900. The new facility was dedicated in 1912 and continued to operate into the twenty-first century. It contains three separate telescopes, including the largest refractor in the United States—the Thaw Memorial Refractor. The 47-foot-long refractor was a gift to the observatory in Thaw's name by his son and namesake; this gift, donated in 1914, is reported to have been $125,000. Built by Brashear's optical company, the 30-inch lens of the telescope was designed to take photographs and was originally corrected for the focusing of blue light. In 1985, the original lens was replaced with one that is corrected to focus red light. By 2009, the telescope had taken approximately 110,000 exposures, and the observatory had one of the oldest and largest collections of photographic plates in the world. Most of these photographs aid in the study of stellar parallax (star distances), and the telescope is engaged in searching for planets around distant stars.

of insanity, including sexual sadism. He had never relinquished his hatred of White, and he increasingly brooded on the notion that the architect had "ruined" his wife when she was but an innocent girl. On June 25, 1906, Harry shot and killed White in front of hundreds of people at Madison Square Garden's rooftop theater. He was tried in 1907, and the case resulted in a hung jury. As part of Harry's defense, White was portrayed as a libertine and seducer of young women, while Harry was depicted in a sympathetic light. Some even lionized Harry for having protected his wife's virtue. Harry also claimed that he had been possessed by the spirits of dead people when he murdered White.

At his second, lengthy trial, Harry was adjudged to be insane and committed to a New York hospital for the criminally insane. He remained institutionalized until 1915, when he was considered to have regained his mental faculties. The vast wealth that William Thaw had bequeathed to his family had been liberally used by his widow Mary, who brought all her resources to bear on obtaining lenient treatment for Harry.

Nesbit had a son during the time Harry was hospitalized, but she claimed it was Harry's son, fathered when he bribed a guard for a conjugal visit. Harry denied it, divorced her upon his release, and continued his profligate ways. He lived another twenty-five years until 1947, continuing to be seen with much younger girls. Nesbit's notoriety resulted in her being cast in a few silent films and writing two books. She died in reduced circumstances at age eighty-two in 1967.

A heavily fictionalized film about Nesbit, *The Girl in the Red Velvet Swing*, starring Joan Collins, was released in 1955. The title referred to the red velvet swing that the married White maintained in one of his many love nests, on which he would push his young girlfriends while peering up their skirts for a sexual charge. It was rumored that Nesbit had posed nude on the swing for his delectation. The popular novel *Ragtime* (1975) by E. L. Doctorow also prominently featured the shooting scandal.

Legacy

William Thaw's organizational genius helped to bring order to the chaos caused by a multitude of railroads in competition with each other, thus benefiting the commerce of the United States. His charitable works were numerous, including the donation of considerable sums to his alma mater, the Western University of Pennsylvania. He also gave money to several other colleges and universities, including Harvard and Princeton Universities, churches (he was a Presbyterian), hospitals, scientific endeavors, and various charities. The problems of his scapegrace son Harry did not tarnish the elder Thaw's sterling reputation.

—*Roy Liebman*

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Israel Thorndike

American investor, merchant, privateer, and politician

Thorndike became a wealthy man through his investments in the maritime trade, the evolving textile industry, and transportation. He owned and commanded ships during the Revolutionary War and made his fortune trading with the West Indies and later the East Indies and China.

Born: 1755; Beverly, Massachusetts
Died: May 10, 1832; Boston, Massachusetts
Also known as: Colonel Thorndike
Sources of wealth: Trade; privateering; investments; real estate
Bequeathal of wealth: Children; educational institution; medical institution

Early Life

Israel Thorndike (IHS-ree-ehl THOHRN-dik) was the youngest of four children born to Andrew Thorndike, a farmer, and Anna Morgan Thorndike, a homemaker. When Israel was six, his father was lost at sea. Four years later, Andrew Thorndike was declared legally dead, and the bulk of his estate went to his eldest son, Joseph; Israel received £1 and 4 shillings. Israel was educated in the local public schools and apprenticed to a cooper, but he had greater ambition and was interested in both farming and the sea.

First Ventures

By the time he was seventeen, Thorndike was the proprietor of a shipping business, owning six fishing vessels and a three-eighths interest in a seventh; these fishing vessels were valued at £900. He also owned two small craft, valued at £600. In addition to being a ship owner, in 1772 he became a partner with Moses Brown of Waltham, Massachusetts, in a mercantile business, selling broadcloths, velvets, dress goods, and fishermen's supplies. On October 9, 1777, Thorndike married Elizabeth Trask, Brown's sister-in-law; they would have two children.

The outbreak of the Revolutionary War created another opportunity for Thorndike. The colonies lacked a navy, and in the fall of 1775, state governments began licensing privateers. These ships were to seize British merchant vessels that would then be sold at auction, with the proceeds to be distributed among the rebel ship owners and crews.

The Massachusetts legislature created a state navy, and Thorndike was commissioned as an officer, serving actively on various privateers. His first command in October, 1776, was the schooner *Warren*, a fifty-ton ship carrying sixteen guns. He also served on the *Tyrannicide* and the *Scorpion*. Throughout the Revolutionary War, he was the owner or part owner of several privateering ships. In 1779, he and Brown were among the owners of the *Black Prince*, carrying eighteen guns and 130 men, and the smaller *Defense*. Both ships were lost in a failed expedition against the newly established British base at Penobscot, Maine. In 1780, Thorndike went to sea again as master of the *Resource*, a ship with sixteen guns and a crew of thirty of which he was also a part owner. Thorndike was also involved in outfitting the *Scourge*, a ship with twenty guns and a crew of 120. His final venture in privateering during the Revolutionary War was on the *Shaker*. Unlike many ship owners, Thorndike and his partners did not lose a fortune, nor did they make one.

On October 20, 1783, Thorndike's wife died. He remarried a year later, and he and his second wife, Anna Dodge, had twelve children. Anna inherited more than $45,000 when her father, merchant George Dodge, died. A third wife, Sarah Dana, outlived Thorndike.

Mature Wealth

Thorndike realized that America's independence from Great Britain would affect the shipping business, and he embarked on new investments. In 1787, he and a group of Essex County businessmen invested in a toll bridge between Beverly and Salem, Massachusetts. As a prominent businessman, Thorndike was selected as a delegate to the Massachusetts constitutional convention. Thorndike was a Federalist, favoring a strong central government as beneficial to order and economic stability. The citizens of Beverly elected him to the lower house of the Massachusetts state legislature in 1788. A conservative politician, Thorndike was interested in legislation affecting business, and he was elected to the state legislature thirteen times.

Thorndike was part of a group of businessmen who incorporated the Beverly Cotton Manufacturing Company in February, 1789. This company was the earliest attempt to establish the textile industry in the United States; however, the enterprise was not successful. Thorndike was also involved in foreign trade, fishing, and coastal shipping. By 1789, he and Brown owned a fleet of sixty-seventy-ton schooners and a 243-ton ship, the *Fabens*. Thorndike's ships sailed regularly between

THORNDIKE NATURAL HISTORY PROFESSORSHIP

The Thorndike Natural History Professorship, also known as the Massachusetts Professorship of Natural History, was established on March 27, 1805. A group of prominent Boston-area citizens, including John Adams and John Quincy Adams, raised more than $30,000 to endow this professorship at Harvard College (now Harvard University), and the Agricultural Society of Massachusetts also supported the project and donated funds. Other subscribers made contributions ranging from $100 to $500, with businessman Israel Thorndike providing $500.

The first professor of natural history was to be chosen by the "great part" of the subscribers, with successors elected by Harvard College's president and fellows. Each professor who held the position was required to be a master of arts, a Protestant, and of "good moral character." Other stipulations stated that the professor of natural history would create a botanic garden on the grounds of Harvard College and would present lectures on botany and entomology to college students; Harvard students who were sons of the subscribers could attend these lectures free of charge. Funds for the position were to be administered by Harvard College, and all real estate purchased for the foundation was to be vested in the president and fellows of the college. The college was also required to build a house for the professor.

William Dandridge Peck (1763-1822) was elected to be Harvard's first professor of natural history. Peck was known for his contributions to zoology and was America's first native entomologist. His first assignment in his new position was to travel to Europe to collect plants and seeds, and he was also to hire a gardener. When he returned to Harvard, Peck and the gardener, William Carter, established a botanical garden on seven acres acquired for that purpose in Cambridge, Massachusetts. The original subscribers did not provide additional funds for the upkeep of the garden, and the initial endowment eventually dwindled.

When Peck died, the professorship was vacant for several years because of a lack of funds. However, in 1833, Joshua Fisher of Beverly, Massachusetts, who had donated $500 to the Massachusetts Professorship of Natural History in 1805, bequeathed $20,000 to endow a new professorship in natural history under his name. The funds to hire the Fisher Professor of Natural History were administered separately from those for the Massachusetts Professorship, and the college chose to let Fisher's endowment accumulate interest for several years until it would be sufficient to pay the school's standard salary for a professor. In 1842, when the endowment was worth almost $30,000, renowned American botanist Asa Gray (1810-1888) was hired to be Harvard's first Fisher Professor of Natural History. Harvard continued to administer this professorship into the twenty-first century.

Beverly and the West Indies, carrying provisions and consumer goods to the planters and their slave laborers; his fleet returned with sugar, molasses, rum, and coffee. Thorndike made a significant part of his fortune from the West Indies trade. In 1792, he had become wealthy enough to purchase a fine home and several parcels of land in Beverly. By 1795, Thorndike's fleet and other ships in which he had an interest were sailing to ports around the world. At the end of the century, Thorndike become increasingly involved in the East Indies and China trade.

His business was so successful that Thorndike needed more space in his warehouses and office in Beverly. In 1804, he purchased property on India Wharf in Boston for his business interests. Thorndike relocated his family from Beverly to Boston in 1810, but he maintained a summer home in Beverly. His home in Boston became a center of political activity. Thorndike and fellow Federalists became involved in the Essex Junta, a group advocating secession for New England during the War of 1812. Although Thorndike was against the war, he went back to sea, and as captain of the *Hyder Ally*, he captured a valuable British ship after rounding the Cape of Good Hope.

Thorndike continued to invest in various industries. He was part of a group that in 1813 invested in the Boston Manufacturing Company, a textile manufacturing firm in Waltham. The company's first mill, equipped with an innovative power loom, was built on the Charles River. Thorndike's share of the company was $40,000. He invested additional funds in this successful firm in 1816 and 1820. His interest in the manufacturing of textiles led to investments in other textile firms, including the Taunton Manufacturing Company, the Hamilton Company, and the Appleton and Lowell Companies.

According to one contemporary account, Thorndike invested a "greater amount of capital" than any other New Englander, including investments in insurance and in real estate. He was involved in land purchases in Ohio and Maine. He was an original proprietor of the Massachusetts Bay Canal, a forerunner of the present Cape Cod Canal; he was a stockholder of the Massachusetts Railroad Corporation and the Boston and Taunton Railroad; and he owned property around the Boston wharf and other parcels of land in Boston. However diversified his interests, Thorndike continued his involvement in shipping until his death.

Although Thorndike did not attend Harvard College, he donated $500 to the fund creating the Massachusetts Professorship of Natural History and contributed another $500 toward construction of the library at the Harvard Theological School. His most important gift was procuring the library of Professor Christoph Daniel Ebeling of Hamburg, Germany. After a series of negotiations, Thorndike purchased the library in 1818 for $6,500 and donated it to Harvard. This library of more than four thousand volumes contains numerous works of American history, as well as maps and charts of the United States.

Thorndike died in Boston on May 10, 1832, and was buried in Mount Auburn Cemetery in nearby Cambridge. His estate exceeded $1.5 million.

Legacy

Although he began his life in poverty, Israel Thorndike's hard work and business acumen made him a millionaire. His involvement with trade and manufacturing and his associations with like-minded individuals, both in business and in politics, resulted in his economic and social prominence within the Boston community. He was one of the first New England merchants to make a fortune in the China trade. He also participated in state politics as an elected member of the Massachusetts legislature. Thorndike had little formal education, but he supported Harvard College with generous gifts. He also contributed $2,000 to the newly established Massachusetts General Hospital and was instrumental in raising funds for the Boston Athenaeum.

—*Marcia B. Dinneen*

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See also: Samuel Bellamy; Moses Brown; Paul Cuffe; Elias Hasket Derby; Francis Drake; John Hawkwood; Francis Cabot Lowell; Robert Morris; Samuel Slater.

RICHARD THORNTON

English merchant

Thornton was a highly successful English merchant who made his fortune by trading with Russia during the Napoleonic Wars. At his death, he left a personal estate of more than £3 million, the largest British fortune of the nineteenth century.

Born: September 20, 1776; Burton-in-Lonsdale, North Yorkshire, England
Died: June 20, 1865; Merton, Surrey, England
Also known as: The Duke of Danzig
Source of wealth: Trade
Bequeathal of wealth: Children; relatives

EARLY LIFE

Richard Thornton was born on September 20, 1776, at Burton-in-Lonsdale, the second son in an established yeoman family. He attended Christ's Hospital in London, where he demonstrated his future ability to amass wealth by accumulating a store of marbles, coins, and other valuable items. Following his education he worked as a hop merchant in the Southwark area and was also involved in the leather trade. His brother Laurence was also active in commercial enterprise, and the two brothers often worked together, eventually incorporating under the firm name of Thornton.

FIRST VENTURES

The beginnings of Thornton's wealth came with the opportunities brought by the Napoleonic Wars, particularly the invasion of Russia. Since the late sixteenth century, the British had realized that Russia provided a store of raw materials and products, such as tar, tallow, and hemp, that were vital to maritime ventures. After Napoleon I's invasion of Russia, the French army was headquartered at Danzig, where it guarded the Baltic seaport, making it difficult for the British to gain access to Russia or Denmark. The Baltic trade was vital to the maintenance of the Royal Navy, and the lack of access to the area made it difficult and dangerous for English merchant ships to do business there.

In 1810, Thornton was commissioned to buy as much Russian hemp as possible so the British navy could use this material to rig its ships. Thornton armed one of his own merchant vessels and sailed to the Baltic. During his journey, he was forced to fight off a Danish attacker before reaching land. He eventually arrived in Russia, where he bought thousands of tons of hemp that he sold to the Royal Navy for a large profit.

MATURE WEALTH

While Laurence Thornton was in the Baltic area, he learned that Napoleon was retreating from Moscow. He immediately sent a message to his brother Richard, who received the news before anyone else in London. Thornton used this advance knowledge to continue his successful Baltic area trade. Russian produce and products were bringing high prices because of their scarcity. Thornton knew this, and he sagely traveled around London, making agreements for the forward delivery of hemp, tallow, hides, and Baltic produce. His speculation made him more than £100,000, securing his estimable wealth. This action also earned him the nickname the "Duke of Danzig."

As the Napoleonic Wars ended, new opportunities for commerce arose, and Thornton used his wealth to expand into a host of ventures around the globe. He focused a great deal of energy on colonial trade, particularly in India. Like other rich businessmen, he used his wealth to produce great returns by lending money to people in foreign countries. After his brother died, Thornton brought his two nephews into his business, changing the name of the firm to Thornton and West. He spent the majority of his later years conducting speculative trade from the Baltic Coffee House, a gathering place for all who were connected with trade in Russia. Thornton amassed a substantial fleet of ships over the years, and his final commercial venture was marine insurance. He used his money to provide insurance to hundreds of ships, becoming the largest marine insurance underwriter.

LEGACY

The news of Thornton's death of bronchitis on June 20, 1865, spread rapidly throughout England because of the size of his fortune and questions about its fate. Thornton never married, although he and his housekeeper had a son, Richard Napoleon Lee. Thornton's business passed on to his two nephews, Thomas Thornton and Richard Thornton West. Thomas Thornton inherited roughly half of his uncle's fortune. The rest was parceled out among West, Lee, and various other family members. At the time of Thornton's death, a charity school he had built in his hometown and some almshouses he had donated remained in operation.

Thornton is remembered for amassing the largest personal fortune of his century, yet little remains in the form of a legacy. His contribution to the commercial enterprises of Great Britain was vital to the Baltic trade at a key moment in history, and his later endeavors demonstrate the power of the enterprising British merchant in the nineteenth century.

—*Amanda J. Bahr-Evola*

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See also: William Jardine; John Palmer.

Charles Lewis Tiffany

American merchant and jeweler

Tiffany started a fancy goods and jewelry business that became the premier source of luxury items in the United States. Avoiding the faddish and concentrating on selling items of lasting quality, his name became synonymous with wealth and good taste, and his customers included royalty, presidents, and celebrities.

Born: February 15, 1812; Killingly, Connecticut
Died: February 18, 1902; New York, New York
Also known as: The King of Diamonds
Source of wealth: Sale of products
Bequeathal of wealth: Children

Early Life

Charles Lewis Tiffany (TIHF-fah-nee) was the son of Comfort Tiffany, a cotton manufacturer, and Chloe Draper Tiffany, a homemaker. Comfort Tiffany was one of the first manufacturers of cotton goods in Connecticut. Charles attended the local school in Danielsonville and later spent two years at the Plainfield Academy. When he was fifteen, his father put him in charge of a general store he had started near the cotton mill. Charles worked there for ten years until joining his father in the business that had prospered and now became C. Tiffany & Son. By managing the store, young Tiffany learned retailing, managed the books, and made frequent trips to New York City for supplies.

First Ventures

By 1837, Tiffany had realized that he did not want to work in the cotton industry in Connecticut. A friend, John B. Young, had relocated to New York City and was working in a stationery and fancy goods store; six months later, in September, 1837, Tiffany joined Young. It was not a good time for businesses because the Panic of 1837 had resulted in many bank failures and a lack of consumer confidence, yet Tiffany and Young decided to combine Young's experience and Tiffany's money and open a fancy goods and stationery store. Tiffany's father loaned him $1,000 to start the business. A new partnership, Tiffany & Young, was established, and on September 18, 1837, the partners opened for business at 259 Broadway.

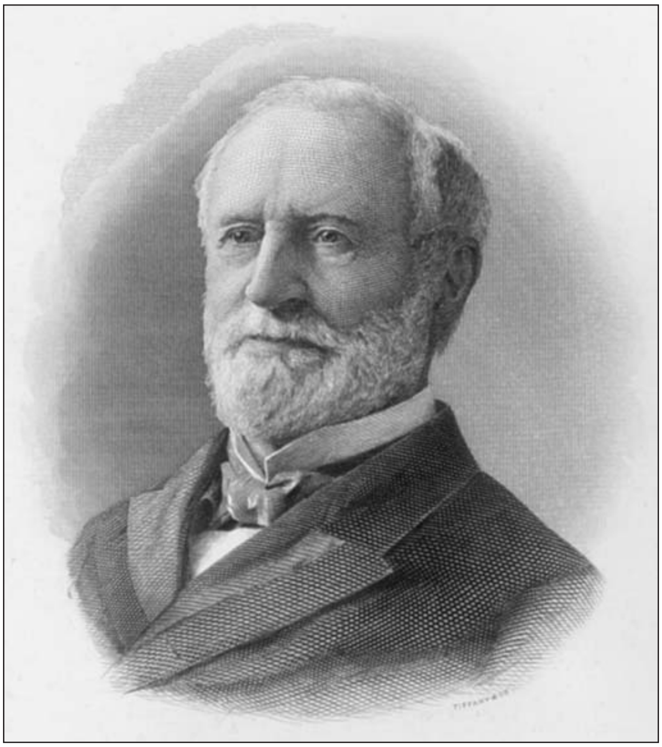
There was some concern that this location was too far uptown and distant from the fashionable stores where the wealthy shopped. However, Tiffany had a knack for selecting unusual merchandise to sell and stocked the store with unique bric-a-brac, Chinese objects, Japanese papier mâché, umbrellas, walking sticks, dressing cases, fans, fine stationery, pottery, and other goods. Each article was marked with a nonnegotiable selling price, which was an innovation at this time; Tiffany did not believe in bartering with customers. Total sales for the first three days were $4.98, with an added $2.77 on the fourth day. However, the store gradually became known for the high quality of its merchandise, and sales steadily increased. In addition the company adopted a distinctive shade of blue to be used on Tiffany boxes and shopping bags. This color became a symbol of the company's reputation for quality and craftsmanship.

Tiffany consistently searched importing houses to find exceptional goods. By 1841, business was good enough to rent the adjoining corner store. Increased space resulted in more and different inventory, including Bohemian glassware, French and Dresden porcelain, cutlery, clocks, and Parisian jewelry. This year saw the addition of a new partner, J. Lewis Ellis, resulting in a new name for the company: Tiffany, Young & Ellis.

Mature Wealth

At this point, Tiffany realized the necessity of having one of the partners search for merchandise abroad in order to ensure the novelty and exclusiveness that their customers were demanding. This idea was unique in retailing. Many European businesses sent salesmen to the United States, but American businesses did not send buyers abroad. Tiffany's plan was considered bold, hazardous, and typical of his style of management. Young made the trip; Tiffany was occupied with the business and getting married. On November 30, 1841, he married Harriet Olivia Avery Young, the sister of his partner. The couple would have six children.

Young's trip to Europe resulted in the company becoming involved in the jewelry trade, initially selling French costume jewelry. These items sold so well that in 1844 the store introduced precious jewelry to its merchandise. In 1845, Tiffany created the country's first mail-order catalog, called a *Catalogue of Useful and Fancy Articles*. An increase in business necessitated a move in 1847 to a larger store at 271 Broadway. Taking advantage of the glut of diamonds on the market due to the European revolutions of 1848, Tiffany invested heavily to buy these stones, the value of which had declined 50 percent. Every spare dollar was invested in diamonds, and the result was huge profits. One such purchase was the zone, or girdle, of diamonds worn by Marie-Antoinette.



Charles Lewis Tiffany. (Getty Images)

The company began manufacturing gold jewelry and in 1850 established its first branch store in Paris. In 1851, Tiffany contracted with silversmith John C. Moore to produce silverware for the company, and the next year the firm introduced sterling silver to the United States. It was Tiffany's ambition to rival the silversmiths of Europe, both in purity of metal and in fine workmanship. As a result, Tiffany established a benchmark that became the United States sterling standard.

On May 1, 1853, Young and Ellis retired. Tiffany remained with the company, and with the addition of new partners the name of the firm was changed for a final time to Tiffany & Co. Business continued to grow, necessitating yet another move. This time Tiffany had a building constructed at 550 Broadway. Many criticized the location as being too far above the business district, but soon critics praised Tiffany for his foresight. By 1861, Tiffany acquired the adjoining building as the company prepared for the Civil War.

Tiffany had previously bought the cable that was not used when the first transatlantic cable was completed in 1858. Tiffany had this twenty miles of unused cable cut up into souvenirs of the event, ranging from paperweights to canes, bracelets, seals, and watch charms. Tiffany knew how to promote his products, as his earlier sale of the hide of P. T. Barnum's elephant, which he purchased to promote the sale of leather goods, attests. Crowds were so eager to buy the cable mementos that policemen were hired to maintain order at the store.

During the Civil War, Tiffany, an ardent Union supporter, devoted capital and facilities to support the government. Showrooms were turned into a supply depot. Tiffany's also sold quantities of gold braid, badges, and officers' swords in addition to its usual wares. One of its customers, President Abraham Lincoln, purchased a pearl necklace and bracelets for his wife to wear for his 1861 inauguration.

By 1867, Tiffany became the first American silversmith to earn a first prize at the Paris Exposition Universelle, spreading his fame throughout Europe. In 1868, the business was incorporated, with Tiffany as president and treasurer. That same year, branch stores were opened in London and Geneva. In 1870, once again Tiffany moved his headquarters, this time to Union Square, where a five-story, completely fireproof building was constructed. This new store was filled with distinctive merchandise made in Tiffany's own workshops, as well as goods imported from all over the world. One of

Tiffany's greatest achievements was acquiring, for $18,000, a 128.54-carat yellow diamond discovered in the newly opened Kimberly mines in South Africa. Tiffany sold so many diamonds that he became known as the King of Diamonds, and to show off the beauty of the stones, in 1886 he designed a six-prong diamond solitaire setting that became known as the Tiffany setting. In 1887 he acquired one third of the French crown jewels for a cost of $480,000. These gems were resold at a handsome profit to wealthy American families, including the Astors, Stanfords, and Pulitizers.

Fifty years after Tiffany founded his company, its vaults held more than $40 million worth of gems. By 1894, Tiffany was focused on manufacturing and built a factory in Newark, New Jersey. Here eight hundred employees produced twenty-five thousand different items, ranging from sterling flatware and silver plate to leather goods and stationery.

Tiffany belonged to a number of clubs and was a founding member of the Union League Club and the New York Society of Fine Arts. He never retired from his business. He died in 1902 at his home on Madison Avenue in New York City. At the time, his personal estate was worth $35 million and his firm was capitalized at $2.4 million.

Legacy

Charles Tiffany left a legacy of quality and restraint. He became a wealthy man, but he lived a simple life. "Understated elegance" is a phrase descriptive of what he sought and achieved in both his business and his personal life. Never a believer in following the beaten path, he took chances and seized opportunities. His products, including jewels, loving cups, silver services, and diamonds, became "must-haves" for generations of wealthy customers.

—*Marcia B. Dinneen*

Louis Comfort Tiffany Foundation

Louis Comfort Tiffany (1848-1933) was the son of Charles Lewis Tiffany and Harriet Young Tiffany. Although Charles wanted Louis to join his business, Charles supported his son's interests and allowed Louis to study painting instead of attending college. Louis achieved fame as an artist, first as a painter and later for his work with stained-glass lamps and windows. He was a leading exponent of the Art Nouveau style. When he gave up painting to work solely with glass, he formed the Tiffany Studios, which was independent of his father's firm, Tiffany & Co., although his father's store sold many of his products. Louis Tiffany became vice president of Tiffany & Co. when his father died in 1902.

Louis's own success and the inheritance he received from his father enabled Louis to help other artists. To this end, he established the Louis Comfort Tiffany Foundation in 1918. He gave the foundation his entire collection of paintings, glass, and other artworks, as well as $1 million. Louis's donation also included Laurelton Hall, his eighty-acre estate at Cold Spring Harbor, on Long Island, New York. The foundation was to operate Laurelton Hall as a summer retreat for young artists and craftspeople.

When his estate was sold in 1946, the proceeds were used to finance a new purpose for the foundation: the provision of grants for artists. These grants were determined by an annual competition in painting, sculpture, graphics, and textile design. Grants were awarded to nurture creative talent, and they were used for numerous purposes, including purchasing artworks and donating them to institutions, an apprenticeship program that enabled young craftspeople to work with master craftspeople, and direct grants to young painters and sculptors. In 1980, the grant process was changed, with awards presented in a biennial competition. In addition, the foundation broadened the award base to include painting, sculpture, printmaking, photography, video, and craft media, with direct monetary grants to artists. Artists cannot apply for a grant; they must be proposed for consideration by art professionals throughout the country. Those who are nominated submit their work to be reviewed by a jury, which includes artists, critics, museum professionals, and the foundation's trustees. Continuing the mandate of Louis Comfort Tiffany, the foundation awards grants to those artists whose work shows promise but has not received widespread critical or commercial recognition

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See also: Kokichi Mikimoto; Philip Rundell; Josiah Wedgwood; Shantidas Zaveri.

DONALD TRUMP

American real estate developer

Trump initially earned his fortune by developing hotels, casinos, condominiums, and other real estate projects. This internationally known billionaire later diversified into other business ventures and hosted a popular reality television series, The Apprentice.

Born: June 14, 1946; New York, New York
Also known as: Donald John Trump
Sources of wealth: Inheritance; real estate; media
Bequeathal of wealth: Charity

EARLY LIFE

Donald John Trump was born and raised in New York City, the son of Fred Christ Trump and Mary MacLeod Trump. His father was a real estate developer and investor, which eventually inspired Trump to enter the real estate field. Trump's rambunctious behavior at the Kew-Forest School resulted in his being sent to the New York Military Academy by the age of thirteen. At the latter school he succeeded in both academics and athletics, playing football, soccer, and basketball.

From there, Trump went to Fordham University through his sophomore year, followed by a transfer to the Wharton School of Finance at the University of Pennsylvania, from which he graduated with a bachelor of science and economics degree in 1968. Upon graduation, he returned home to New York City and promptly started working at his father's real estate company, the Trump Organization.

FIRST VENTURES

The road from student to real estate tycoon was slow but steady as Trump received his first experiences in the business under his father. Trump's early projects included the overseeing of rental properties throughout Brooklyn, Queens, and Staten Island, and he eventually branched out into other parts of the country. One of his notable early triumphs came in Cincinnati, Ohio, where he repaired a foreclosed apartment building and rented it to full capacity, earning the company a $6 million profit upon the building's sale.

By 1971, Trump had turned his attention to a burgeoning Manhattan, spending the majority of the decade focusing on business ventures in this New York City borough. Three years later, he took the Commodore Hotel, which was failing, and formed a partnership with the Hyatt Hotels Corporation to restore the structure. By 1980, renovation of the newly named Grand Hyatt was completed, providing Trump with the profits to enter into more ambitious real estate ventures.

MATURE WEALTH

By 1982, Trump had completed his next major project—construction of the $200 million apartment complex and shopping center known as the Trump Tower in New York City. The fifty-eight-story high-rise became known for its luxurious fixtures and elegant style, immediately establishing the public's perception of Trump as a man of great wealth and lavish taste. He soon expanded into other areas of the leisure and entertainment business, turning his attention toward Atlantic City, New Jersey, where he obtained a gambling license and a partnership with Holiday Inn to open Harrah's Casino at Trump Plaza in 1982. Trump bought out Holiday Inn's interest in the project in 1986, and he renamed the $250 million property the Trump Plaza Hotel and Casino.

Not everything Trump touched throughout the 1980's turned to gold, including his purchase of an apartment complex near New York City's Barbizon-Plaza Hotel. He had hoped to convert both the hotel and a nearby apartment building into condominiums, but this plan was met with resistance by residents of the apartment house, who wanted to remain in their rent-controlled apartments. Although it took him longer than he anticipated, by 1997 Trump had converted both buildings to condominiums, renaming the Barbizon Hotel Trump Parc and the adjoining building Trump Parc East. During the conversion, he remained in constant communication with the New York City government, offering his company's development services at a fraction of the cost of other bidders. This initiative led his company to be hired to complete the city's failed restoration of the Wollman Skating Rink in Central Park. What was once scheduled as a two-and-a-half-year project had not been finished after six years, at which point Trump stepped in to complete the remainder of the renovation in three months, saving the city $750,000 from the project's remaining $3 million budget.

Donald Trump. (WireImage/Getty Images)

Two years later, in 1988, he purchased the Plaza Hotel in New York City, spending an initial $407 million to buy the property and an additional $50 million in remodeling costs. As the 1980's rolled into the next decade, he also returned to Atlantic City to acquire the Hilton Hotel's $320 million resort, renaming it Trump's Castle, while also purchasing the world's largest hotel and casino, the Trump Taj Mahal Casino Resort.

Trump's excessive spending and huge profits in the 1980's were brought to a halt when the United States entered an economic recession at the beginning of the 1990's. This economic downturn sent Trump's net worth plummeting from an estimated $1.7 billion to $500 million. In 1991, Trump sold half of his share in the Taj Mahal, and the following year he filed a Chapter 11 bankruptcy protection plan for the Trump Plaza Hotel and Casino and obtained several needed loans. Nonetheless, Trump pressed on throughout the lean years, and his net worth climbed to $2 billion in 1997, thanks to a series of restructuring plans and wise investments, along with several successful real estate licensing ventures in Manhattan, the New York City suburbs, and Florida.

After riding out the economic roller coaster in the 1990's, Trump found the first decade of the twenty-first century to be one of his most successful periods. In this decade, he sold his late father's company to a group of investors for $600 million, earning $200 million for Trump after he split the proceeds with his siblings. This decade also saw his involvement in several new building projects, including the Trump International Hotel and Tower chain in Honolulu, Chicago, Toronto, and Atlanta.

During 2004, Trump, who by then was a household name, unexpectedly evolved into a television personality. His reality show, *The Apprentice*, was aired that year by the National Broadcasting Company (NBC) and became a popular program. He diversified into other ventures, founding a mortgage firm, Trump Financial; an education company, Trump University; a chain of Trump restaurants; and the Trump Signature Collection menswear line. He also became co-owner of the Miss Uni-

GREAT WEALTH ON TELEVISION: DONALD TRUMP'S *THE APPRENTICE*

Often called "the ultimate job interview," *The Apprentice* is a televised opportunity to see Donald Trump in action. In this reality show, Trump, the boss, interviews several potential employees, putting them through a series of corporate challenges in the form of team tasks that pit them against each other. He then gradually eliminates the candidates as the program progresses through the season. Since its debut in 2004, Trump's catchphrase has become "You're fired!," which he exclaims after a contestant who has failed to complete an assigned task is subsequently relieved of his or her duties. The catchphrase not only was used in a series of commercials promoting the program but also has entered popular culture in a variety of other places, including Trump's personal appearance during World Wrestling Entertainment's Wrestlemania 23 in 2007.

Viewers not only tune into *The Apprentice* to see whom Trump will fire but also are curious about the winner of each season's show. The victor joins Trump's real-life business team and receives a salary for the following year of $250,000. In the seventh season, the show was retooled as *The Celebrity Apprentice*. The new program featured famous television, film, music, and media personalities who compete for the same prize as contestants on the original show, but the celebrity winners' money is distributed to a charity of their choice. This decision is in line with Trump's commitment to a variety of charities, including his considerable contributions to Children with AIDS, Make a Child Smile Appeal, Pediatric Epilepsy Project, Mississippi Animal Rescue League, and the Muhammad Ali Parkinson Center. Trump continues to shout his signature catchphrase, "Your fired!," which, when barked in the face of a celebrity, provides additional audience appeal.

In addition to their entertainment value, *The Apprentice* and *The Celebrity Apprentice* enlighten their audiences on some of Trump's actual business practices. Many of his employees have appeared on the program, including George H. Ross, his executive business and legal adviser, and Carolyn Kepcher, the former executive vice president, chief operating officer, and general manager of the Trump National Golf Club. Despite their insightful additions to the show and ability to help influence who scores the $250,000 prize, the real attraction of the program remains Trump's personality, his tough-but-fair approach to judging the contestants, and the clear-cut finality of his assessments, summed up in the tag line, "You're fired!"

verse Organization. He wrote several books, including *Trump: The Art of the Deal* (1987), coauthored with Tony Schwartz; *Trump: Surviving at the Top* (1990), written with Charles Leerhsen; and *Trump: The Art of the Comeback* (1997), coauthored by Kate Bohner. In 2010, Trump was included on *Forbes* magazine list of the world's billionaires, with his net worth calculated at $2 billion.

LEGACY

By constantly making innovative business decisions and bouncing back from blunders, Donald Trump became one of the world's wealthiest men and one of its best-known billionaires. Although he originally worked in the real estate field, he later diversified, which led to his continued success. Now known as a television personality as well as a real estate mogul, his wealthy lifestyle set an example for others, and he continued to acquire new fans of his television program and to serve as a mentor to other businesspeople. Along the way, Trump's personality and ego have grown as large as his fortune, earning him throngs of admirers, as well as many detractors. There is, however, no denying that Trump's generally sound property purchases, wise investment decisions, and all-around business savvy have made him one of the most memorable billionaires of his era.

—*Andy Argyrakis*

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See also: Sheldon Adelson; Donald Bren; Leona Helmsley; Kirk Kerkorian; John D. MacArthur; J. Willard Marriott; Jay A. Pritzker; Steve Wynn.

Yasujirō Tsutsumi

Japanese real estate developer and statesman

Tsutsumi earned his wealth through aggressive, heavily leveraged land development for recreational purposes. He acquired railroad lines and developed hotels by converting the palaces he bought from impoverished princes after World War II. His wealth made him a postwar power broker in Japan and enabled him to become the nation's goodwill ambassador, hosting diplomatic events and traveling abroad.

Born: March 7, 1889; Yagiso, Omi Province (now Shiga Prefecture), Japan
Died: April 26, 1964; Tokyo, Japan
Also known as: Tsutsumi Yasujirō; Pistol
Sources of wealth: Real estate; railroads
Bequeathal of wealth: Children; spouse

Early Life

Yasujirō Tsutsumi (yah-soo-jee-roh tsoo-tsoo-mih) was born in 1889 in the village of Yagiso northeast of Kyōto. He was the oldest son of Yujiro, a land-owning farmer and linen trader, and his wife Miwo (née Kamibayashi). In 1891, Tsutsumi's sister, Fusako, was born. When Tsutsumi was four, his father died of typhoid fever and was cremated on September 30, 1893. His mother left the village, leaving her two children with their grandparents, Kiyozaemon Tsutsumi and Kiri Tsutsumi. In 1987, Tsutsumi's cousin Kunio Kamibayashi claimed Miwo left because of sexual harassment by Tsutsumi's grandfather. Only rarely and as an adult did Tsutsumi see his mother, who eventually remarried.

At age thirteen in 1902, Tsutsumi finished primary school. He worked on the family farm until attending Kyoto Naval College from 1906 to 1907. His grandfather died on April 7, 1907. When Tsutsumi reached maturity at age twenty in 1909, he married Koto Nishizawa shortly after their daughter Shukoku was born. He mortgaged his family land for 5,000 yen and went with his family to Tokyo to study economics and political science at Waseda University.

First Ventures

As a student, Tsutsumi invested his 5,000 yen (very roughly the equivalent of $60,000 in 2010 currency) into a textile company, Goto Woolens. Half a year later he cashed out his investment, now worth 60,000 yen. With this money he bought the rights to a third-class post office in Tokyo's Nihonbashi district and invested in an iron foundry with one hundred employees, taking over its management.

Tsutsumi graduated from Waseda University in 1913, and the following year his mistress gave birth to his first son, Kiyoshi. Tsutsumi divorced his first wife, and in April, 1915, he married Fumi Kawasaki. Tsutsumi's iron foundry went bankrupt, a linen venture failed, and insider trading in a Manchurian railroad resulted in a loss of money.

In June, 1915, Tsutsumi turned to land development. For the next two years he struggled to acquire village property outside the resort town of Karuizawa on the railroad line running from Tokyo to Nagano. On December 23, 1917, a majority of the villagers sold Tsutsumi what they thought were 490 acres of land for 30,000 yen (worth roughly $300,000 in 2010 currency). When the land was surveyed, it turned out to be 650 acres instead. The deal was highly leveraged, with only a small cash deposit changing hands. To build cottages on his land and develop its infrastructure, Tsutsumi founded Sengataki Resorts Limited. He found a respected businessman to front as the firm's president, and he offered half of the company's shares to the public, raising the firm's capital value to 250,000 yen.

The Palace of Prince Asaka and Other Prince's Palaces

Japan's Imperial House Law of January 16, 1947, made commoners of all former imperial princes and princesses who were not directly descended from an emperor. While the former imperial family were allowed to keep their palaces and vast landholdings, they had to pay punishing taxes on them by October 14, 1947, and annually thereafter. Prince Yasuhiko Asaka approached real estate developer Yasujirō Tsutsumi through a middleman. As a result, Tsutsumi agreed to have one of his corporations, Kokudo Keikaku, buy Asaka's palatial Edwardian-style summer cottage neighboring Tsutsumi's land at Karuizawa on August 12, 1947. Typically for this and subsequent deals, Tsutsumi paid a low deposit and then made annual payments of the interest on the outstanding principal. This enabled the prince to avoid paying tax on a lump sum and allowed Tsutsumi to avoid paying a large amount of money. The summer cottage was turned into the Karuizawa Prince Hotel but was effectively put at the disposal of the imperial family, with Akihito, the future emperor of Japan, spending many summers there.

Asaka continued to experience money problems, and he agreed to sell his Tokyo palace, built in 1933. Initially, the government rented the palace and used it as the prime minister's official residence from 1947 to 1950. When Asaka put the palace up for sale, Tsutsumi bought it through his company, Seibu, on October 7, 1950. From 1950 to 1974, the palace was officially called a state guesthouse, though Tsutsumi and his successors let Asaka use it until the prince's death in 1981. In 1983, the palace was donated to the Tokyo Metropolitan Foundation for History and Culture, which opened it to the public as the Tokyo Metropolitan Teien Art Museum on October 1, 1983.

By 1953, Tsutsumi had bought other prince's palaces. Unlike the government, which demolished the Kitashirakawa palace in Tokyo's Tanakawa district to build a nondescript dormitory for Diet members, Tsutsumi retained the original structures. He turned them into hotels of his Prince brand, and these establishments survived even when high-rise hotels were subsequently built adjacent to them. Thus, Prince Takeda's former palace continues to be used as a banquet facility next to the new Grand Prince Tanakawa Hotel. Another Kitashirakawa palace, designed in 1884 by British architect Josiah Conder, survives as the Old Building on the grounds of the Grand Prince Hotel Akasaka, built in 1982.

Mature Wealth

Living by his philosophy of borrowing money, buying land, and borrowing more money for more land, Tsutsumi bought eighty acres in Hakone, a fashionable mountain area east of Mount Fuji, in 1920. He renamed his company Hakone Resorts Limited and raised its capitalization to 20 million yen in 1923. Tsutsumi succeeded because he targeted the middle class and its desire for recreation. The great Kanto earthquake of September 1, 1923, destroyed much of Tokyo and injured Tsutsumi. Yet his housing development in Tokyo's Koishikawa district survived and people desired his buildings.

Looking toward Izu peninsula south of Mount Fuji for new development, Tsutsumi started to buy shares in the local Sunzu railroad line. Sunzu's president sent thugs to confront Tsutsumi, one of whom threatened to shoot him. Tsutsumi stood still, daring the gangster to shoot, and the bullet missed him, earning him the nickname "Pistol." This incident typified his dictatorial business style, which brooked no opposition.

With Tsutsumi's highly leveraged land development business advancing, yet always tottering on the brink of bankruptcy because of the breakneck speed he demanded, in May, 1924, he turned to politics. He was elected to the Diet, the Japanese parliament. While his business flourished in the late 1920's and survived the Great Depression, with different mistresses Tsutsumi fathered his second son Seiji in 1927 and his third son Yoshiaki in 1933, both of whom he adopted. His wealth enabled him to provide for his wife, two mistresses, and his children.

To gain access to his properties in western Tokyo and the Hakone mountains, Tsutsumi acquired the Musashino railroad line in 1938. In 1940, he bought a department store. He also finished his Tokyo mansion, where he brought together his many children and his lover Misao Aoyama, whom he entrusted to help with his business. Tsutsumi opened his home to government leaders as a meeting facility, resulting in extremely valuable business contacts.

In 1942, Tsutsumi married his oldest son, Kiyoshi, to a daughter from a samurai family. His wife, his lovers Misao Aoyama and Tsuneko Ishizuka, and all of his children attended the wedding, as did Prime Minister Hideki Tojo. In 1943, Tsutsumi bought the Seibu railroad line, eventually choosing Seibu as the name for his holding company. His railroads provided Tsutsumi with much needed wartime revenue. On November 21, 1944, his Seibu line started transporting effluent out of Tokyo and bringing in food from the countryside, a logistics feat for which Tsutsumi was awarded 30 million yen, with which he bought more land. On March 24, 1945, his home was destroyed in that night's firebombing of Tokyo. He and his family survived in a bunker on the property. When Japan surrendered on August 15, 1945, Tsutsumi was purged from his political offices but retained his wealth.

In 1946, Tsutsumi disinherited his oldest son, Kiyoshi, after a family argument. Beginning in 1947, Tsutsumi began buying the palaces and land of impoverished former members of the imperial family. Tsutsumi turned most of these palaces into hotels and developed their land in prime Tokyo locations. In 1951, he was able to reenter politics and was elected to the Diet; on May 18, 1953, he was elected speaker of the Diet. The *Nippon Times* listed his wealth as consisting of one department store, three railroad lines, two golf courses, two recreational parks, vast landholdings, and twelve hotels. He also built three new suburbs in western Tokyo.

Tsutsumi divorced Fumi and married Misao in July 1954. He resigned as speaker of the Diet on December 6, 1954. Because his properties were highly leveraged and he successfully hid most of his assets, he had to pay only modest taxes on his small official salary starting in 1958. However, Tsutsumi treated his companies as personal property and financed his lavish lifestyle with company funds.

At the age of seventy in 1959, Tsutsumi was considered one of the five wealthiest men in Japan. Along with his wife Misao, he increasingly put the husbands of his daughters and his sons Seiji and Yoshiaki in charge of the companies he controlled. In 1961, Tsutsumi embarked on a world tour as Japan's goodwill ambassador, meeting outgoing president Dwight D. Eisenhower in Washington, D.C., before meeting prime ministers in the capitals of London, Paris, Bonn, Vienna, and Delhi. A scandal surrounding his reelection in 1963 damaged his reputation. However, his funeral on April 30, 1964, after he suffered a stroke and died on April 26, had all the trappings of a state affair. Tsutsumi's body was entombed in his Kamakura Mausoleum on April 26, 1965.

Legacy

Yasujirō Tsutsumi provided middle-class Japanese families with affordable housing and recreational facilities in the lean years after World War II, and in the process he became one of the richest men in Japan. He hid his wealth so successfully that after his death his family did not have to pay any inheritance taxes. A family council entrusted the bulk of Tsutsumi's assets to his favorite and third son, Yoshiaki. His second son, Seiji, received only a small share of the estate, resulting in a long enmity between the brothers that ended in the mid-1990's.

Yoshiaki Tsutsumi remained true to his father's business practices and continued aggressive land development. *Forbes* magazine listed Yoshiaki Tsutsumi as the richest individual in the world in 1984, with assets worth $21 billion. As land value declined in Japan, his wealth declined to $2.8 billion in 2001. However, Japan no longer tolerated the rough business style of his father, and on October 27, 2005, Yoshiaki Tsutsumi pleaded guilty to violating securities trading law and received a suspended thirty-month prison sentence. With his wealth significantly reduced, by 2009 he still pursued real estate development projects.

—*R. C. Lutz*

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See also: Soichiro Honda; Taikichiro Mori.

Ted Turner

American media mogul

Turner is one of the pioneers of the cable television industry, founding the cable stations TBS, TNT, Cable News Network (CNN), Headlines News, the Cartoon Network, and Turner Classic Movies. He has used his wealth to fund many charities, including his own Turner Foundation.

Born: November 19, 1938; Cincinnati, Ohio
Also known as: Robert Edward Turner III
Sources of wealth: Inheritance; media; real estate; sports franchise
Bequeathal of wealth: Children; educational institution; charity

Early Life

Robert Edward "Ted" Turner III was born in Cincinnati, Ohio, the son of Florence (née Rooney) Turner and Robert Edward "Ed" Turner II, a car salesman. When he was nine, his family moved to Savannah, Georgia, where his father had purchased a small billboard advertising company. Young Turner attended the McCallie School, a private, Christian military preparatory school in Chattanooga, Tennessee, and Brown University in Providence, Rhode Island, where he was vice president of the debating union and captain of the varsity sailing team. Turner initially majored in Latin and Greek, but his father objected that this major was impractical. Turner eventually changed his major to economics, but he was expelled before graduating because he was caught with a woman in his dormitory room. After serving in the U.S. Coast Guard, Turner returned home to work for his father.

First Ventures

Turner already knew his father's advertising business because he had worked there during summer vacations. He quickly became the general manager of the Macon, Georgia, branch of the business. Following his father's suicide in March, 1963, Turner became the sole owner of the Turner Advertising Company, by then the largest outdoor advertising company in the Southeast. Turner expanded the business by buying small billboard companies in Chattanooga and Knoxville, Tennessee. However, he encountered pressure from environmental groups that wanted to reduce and even eliminate billboard advertising along highways, so Turner diversified by buying five radio stations in the late 1960's.

In 1970, he bought two television stations, including WJRJ (later renamed WTCG) in Atlanta, Georgia, which broadcast on Channel 17. These stations aired old films; reruns of television series, such as *The Andy Griffith Show*; and any network shows that the local affiliates chose not to broadcast, including the made-for-television film *Brian's Song*. Turner also bought the rights to broadcast Atlanta Braves baseball games, Atlanta Hawks basketball games, and Atlanta Thrashers hockey games. He bought the Braves in 1975 and the Hawks in 1977.

Mature Wealth

In 1976, the Federal Communications Commission (FCC) gave Turner permission to use satellite transmission technology to carry WTCG (later renamed WTBS and then TBS) on cable television systems all over the United States. He did not charge cable systems any fees to carry his station, relying solely on advertising sales to generate revenues. At first, the station was broadcast to two million homes, but that number increased as cable television expanded into more markets.

Despite widespread skepticism in the broadcasting industry, Turner started the Cable News Network (CNN), the first twenty-four-hour live news channel, in 1980. In addition to selling advertising, CNN charged providers fifteen cents per subscriber per month. Like WTBS, it initially aired in two million homes but its audience grew as cable television expanded. In 1981, he added CNN2 (later renamed Headline News), which used film footage already obtained for CNN in order to broadcast thirty-minute news summaries, repeated throughout the day. Cable systems in Asia began carrying CNN in 1982, and the network began airing on European cable stations in 1985.

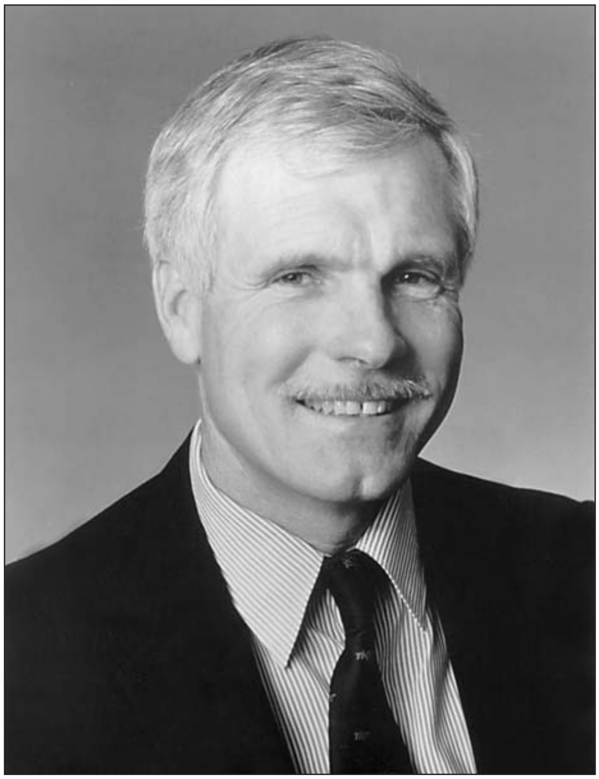
After failing to acquire the Columbia Broadcasting System (CBS) in 1985, Turner purchased the MGM/UA Entertainment Co. for $1.5 billion. Following this acquisition, Turner had an enormous debt and had to sell portions of the company. After all of the deals were finally completed, Turner owned Metro-Goldwyn-Mayer's (MGM) entire film library up to 1985, including the films *Gone with the Wind* (1939,) *Meet Me in St. Louis* (1944), *Singin' in the Rain* (1952), *Doctor Zhivago* (1965), and *The Wizard of Oz* (1939); a small portion of United Artists' (UA) film and television library, including the television series *Gilligan's Island;* the entire RKO (Radio-Keith-Orpheum) Pictures' film library, including *Citizen Kane* (1941) and *King Kong* (1933); and the pre-1950 Warner Bros. film library, including the motion pictures *Casablanca* (1942) and *The Maltese Falcon* (1941).

Turner used these films and television series to provide programming for new cable channels. In 1988, he introduced Turner Network Television (TNT) by airing the film *Gone with the Wind*. TNT initially showed older films and television shows, but the station later added original programs, including *Captain Planet;* original films, such as *Gettysburg;* sports; and reruns of newer films and television shows. TNT charged cable providers fifteen cents per subscriber per month, starting with 17 million subscribers and passing the 30 million mark after its first eight months on the air. Turner Classic Movies (TCM) came on the air in 1994, and in the twenty-first century continued to broadcast the older Warner Bros., RKO, and MGM films.

In 1992, Turner leveraged the MGM cartoon library—which included Tom and Jerry cartoons; pre-1948 Warner Bros. properties, such as cartoons featuring Bugs Bunny, Daffy Duck, and the Road Runner; and television specials, such as *How the Grinch Stole Christmas*—to create the Cartoon Network. That same year, Turner purchased Hanna-Barbera Productions, which owned about one-third of all of the cartoons ever produced in the United States. The Hanna-Barbera properties included the cartoon series *Yogi Bear, The Flintstones, Scooby-Doo*, and *The Jetsons*. Hanna-Barbera's production studios also developed new shows, such as *Dexter's Laboratory, Johnny Bravo*, and *The Powerpuff Girls*, for the Cartoon Network. After Turner Broadcasting merged with the Time Warner entertainment company in 1996, the channel gained access to the post-1948 Warner Bros. cartoon library.

Turner generated controversy when he began to colorize old black-and-white films in order to show them on TBS and TNT. Despite opposition by film aficionados, stars, and directors, the colorization process became popular with the public, and Turner colorized many of the films that he owned. However, the cost turned out to prohibitive for all but a few films. In contrast with TNT and TBS, Turner Classic Movies shows unaltered and restored versions of films.

In 1986, Turner established the Turner Entertainment Company to produce original programming. He eventually purchased the production companies Castle Rock Entertainment and New Line Cinema, which made the films *The Mask* (1994) and *Dumb and Dumber* (1994). With Turner's encouragement and approval, New Line financed the film adaptations of the *Lord of the Rings* trilogy, released from 2001 through 2003. When Turner merged his companies with Time Warner on October 10, 1996, Turner owned about 10 percent of the combined



Ted Turner. (© George Bennett)

company. He was made vice chairman and head of Time Warner's cable networks division, and he added management of the cable networks HBO (Home Box Office) and Cinemax to his responsibilities.

On January 11, 2001, Time Warner merged with America On Line, becoming AOL Time Warner. Although Turner owned about 4 percent of the new company, he found himself without any operational responsibilities, so he stepped down as vice chairman in 2003 and resigned from the board of directors in 2004. He began selling his AOL Time Warner stock in 2002, and he finally sold all of it by the end of 2004.

In 2002, Turner cofounded Ted Montana's Grill, a restaurant chain specializing in bison meat. The first location was in Columbus, Ohio, and by 2009 the chain had grown to fifty-five locations in nineteen states.

THE UNITED NATIONS FOUNDATION

In 1997, Ted Turner was honored as Man of the Year by the United Nations Association. As a sign of gratitude, he originally considered giving $1 billion outright to the United Nations, but he learned that the organization could not legally accept donations from individuals. Instead, he created the United Nations Foundation, pledging to fund it with $100 million a year for ten years beginning in 1998. (After the price of his AOL Time Warner stock declined, he had to stretch his contribution out over fifteen years.) Other donors have contributed more than $400 million to the organization.

Turner selected Timothy Wirth, a former U.S. representative and senator from Colorado, as the foundation's first administrator. The foundation's purpose is to support the United Nations' causes and activities; be an advocate for the United Nations; and provide a platform for connecting people, ideas, and resources to help the United Nations solve global problems. The organization's programs have included eliminating land mines; working with the World Health Organization (WHO) and UNICEF (United Nations International Children's Emergency Fund) to provide medicine for children, especially those suffering from polio, measles, and malaria; distributing insecticide-treated bed nets to prevent mosquitoes from infecting people with malaria; reducing population growth through the provision of sex education and condoms; promoting sustainable tourism; reducing the number of nuclear warheads worldwide; reducing poverty; minimizing climate change by improving energy efficiency and switching to clean energy technologies; and easing the plight of disaster evacuees by means of wireless technologies.

The foundation also works to strengthen the relationship between the United Nations and the United States government, with a focus on urging Congress to help pay America's debt to the United Nations. This effort is led by the foundation's sister organization, the Better World Fund, which Turner established in order to broaden public support for the importance of international cooperation and a strong relationship between the United States and the United Nations.

The United Nations Foundation has been a very efficient charity, spending more than 90 percent of its funds on actual programs and less than 10 percent on administration and fund-raising. The foundation's success led the United Nations to establish an Office for Partnerships that works directly with nongovernmental organizations, corporations, and private individuals.

LEGACY

By 2009, CNN, TBS, TNT, the Cartoon Network, Headline News, and Turner Classic Movies were still major cable networks, and the first four were consistently in the top ten of the most watched cable channels in the United States. CNN has inspired several imitators, including Fox News, MSNBC (Microsoft and the National Broadcasting Company), Worldwide BBC (British Broadcasting Corporation), and Al Jazeera.

Turner purchased the 119,000-acre Flying D Ranch in Montana in 1989 with the goal of restoring the land to its condition prior to 1860, and he owns the world's largest private bison herd, with fifty thousand head. He has reintroduced endangered species, such as gray wolves, red-cockaded woodpeckers, and black-footed ferrets, to his ranch. In 1997, he created the Turner Endangered Species Fund.

Turner followed his father's example in supporting civic organizations and schools. In addition to founding the United Nations Foundation, Turner started his own family foundation in 1990 in order to fund charities; the Better World Society in 1985 in order to fund documentaries on environmental pollution, nuclear proliferation, and the population explosion; and the Nuclear Threat Initiative in 2001 in order to limit and reduce the number of nuclear warheads around the world. He has also made large donations to the McCallie School, Brown University, and The Citadel. His example inspired other billionaires, such as Bill Gates and Warren Buffett, to donate large portions of their fortunes to charities.

—*Thomas R. Feller*

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José Tomás Urmeneta

Chilean mining magnate, businessman, and politician

Urmeneta transformed Chile's copper mining industry in the mid-nineteenth century by discovering rich cooper veins and using the latest machinery and technology to extract the metal.

Born: October 8, 1808; Santiago, Chile
Died: October 20, 1878; Limache, Chile
Also known as: José Tomás de Urmeneta García
Sources of wealth: Mining; investments
Bequeathal of wealth: Spouse; children; medical institution

Early Life

José Tomás de Urmeneta García, better known as José Tomás Urmeneta (hoh-SAY toh-MAHS uhr-meh-NEH-tuh), was born in 1808 in Santiago, Chile, the first of seven children of Tomás Urmeneta and Manuela García-Abello. Urmeneta was sent to Brown University in the United States in 1823, where he obtained a law degree. Soon after his return to Chile in 1827, he moved to London, where he remained until 1831 as an attaché for the Chilean government. In Europe he was exposed to the effects of the Industrial Revolution, a fact that would be essential to his future entrepreneurial endeavors in mining. In 1832 he married Carmen Quiroga, with whom he had three daughters.

First Ventures

Urmeneta entered the mining business immediately after his return to Chile from London in 1831. He initially was the manager of the Sotaqui and Guaillillinga States, two copper mines in the Tamaya region owned by Mario Ariztia, his wealthy brother-in-law. However, in 1833 Urmeneta became an entrepreneur himself when he discovered another rich copper vein near the mines. His decision to use European extraction technology enabled him to exploit the vein. However, by 1842 his mine shafts had flooded because of poor weather in the area, and he lost almost everything. By the end of the 1840's, Urmeneta was nearly bankrupt. Nevertheless, Urmeneta was persistent, and upon receiving a loan from Ariztia he resumed his mining activities. In October, 1852, he found an even richer layer of copper. By 1857, his quarry employed 360 workers, and his output of copper had tripled because of the international demand for the metal created by the Crimean War.

Mature Wealth

Urmeneta experienced tremendous economic success in the 1860's because of his diversification strategy. He mined coal, gold, and silver in addition to copper. Among other undertakings, he went into real estate, banking and loans, insurance, railways, and stocks. He also established two companies: the Gas Corporation of Santiago and the Chilean Foundry Corporation. These businesses opened other doors for him. When he moved his residency to Santiago in 1855, he became acquainted with important Chilean businesspeople and politicians. These connections would assist him in becoming a member of the Chilean senate from 1855 to 1864 and in serving on the government's treasury advisory and mortgage loan reserves committees. In 1871, his economic and political influence permitted him to become a presidential candidate, running unsuccessfully against Federico Errázuriz Zañartu.

Urmeneta had a setback when his Chilean Foundry Corporation went bankrupt. The company had unpaid loans with the Gibbs Company of England. Nevertheless, since he had diversified his capital gains, he was able to absorb this loss, as well as the losses created by the international decline in copper prices. By the late 1860's he owned the main mines in the Tamaya region in the north of Chile, as well as the principal foundries in the area. He added new technologies, including a railroad system that connected his mines in Tamaya to his foundries in the coastal town of Tongoy. This resulted in increased metal yields and exports that allowed Urmeneta to respond to the high demand for copper created by the European wars of the 1870's. This period of major copper sales abroad increased Urmeneta's wealth and enabled him to invest in nonrelated ventures, such as cattle ranching and wine production.

Legacy

Urmeneta's sense of business led him to become one of the most important Latin American magnates of the 1800's. He was also known for being a generous donor to medical facilities. He bequeathed large sums of money to a hospital in Ovalle, Chile. In 1860, he became president of the Casa de Orates, a major psychiatric center.

Nevertheless, his most significant contribution was to his country's mining industry. Largely through his efforts, Chile became the largest copper producer in the world between 1861 and 1870. Urmeneta is considered to be one of the founders of the copper industry in his country.

Urmeneta employed ten thousand workers in thirty-nine highly productive mines. He was able to supply a large volume of copper because he had spent time in Europe, learning how machinery and other technology could be used to increase production. He applied this knowledge to invigorate his own companies and, in the process, set a precedent for other Chilean entrepreneurs.

—*María Silva*

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Jay Van Andel

American household products company executive

With partner Richard DeVos, Van Andel established the Amway Corporation, an international household products company with distributors in more than ninety countries. He used his considerable wealth to finance political, philanthropic, and civic causes, including the Van Andel Research Institute, Van Andel Arena, and the Grand Rapids Public Museum.

Born: June 3, 1924; Grand Rapids, Michigan
Died: December 7, 2004; Ada, Michigan
Sources of wealth: Sale of products; investments
Bequeathal of wealth: Relatives; charity

Early Life

Jay Van Andel (van AHN-dehl) was born in Grand Rapids, Michigan, in 1924, the only child of Dutch immigrants James and Petronella (née Van der Woude) Van Andel. James owned an automobile dealership in Holland, Michigan, and then opened Van Andel and Flikkema Chrysler Dodge with John Flikkema. The family practiced their strict Christian Reformed faith, which Van Andel credited with his later successes, stating his belief that "the task of every person on Earth is to use everything he's given to the ultimate glory of God." Following the Dutch tradition, Van Andel attended Christian schools. It was at Grand Rapids Christian High School that he met his best friend and lifelong partner, Richard DeVos. Van Andel attended Calvin College but left to serve in the Army Air Corps during World War II, where he earned the rank of second lieutenant.

First Ventures

Like many Dutch immigrants, including his father, Van Andel had an independent streak and preferred self-employment to working for someone else. His first entrepreneurial venture occurred when he offered classmates a ride to school for the price of twenty-five cents a week. Most students did not own cars, and Van Andel had the use of one only because his family was in the automobile business. When DeVos became one of his riders, their destiny was sealed.

After the war, the two men realized that they wanted the same things from life and their strengths complemented each other. Before forming Amway (short for American Way), the duo tried a few other businesses. Among them were the Wolverine Air Service flight school, an importing company, the Riverside Drive-In Restaurant, and a Nutrilite vitamins distributorship. These business endeavors met with varying degrees of success. Through them, Van Andel learned the importance of trusting God, of taking risks, of selling only products he believed in, and of maintaining personal integrity. It was while making a Nutrilite sales call on the Hoekstra family that Van Andel met Betty Jean Hoekstra, the woman he married and with whom he shared his life for fifty-two years.

Van Andel and DeVos named their Nutrilite business the Ja-Ri (Jay and Rich) Corporation and recruited distributors throughout Michigan. Ja-Ri became a profitable venture for all concerned, but Nutrilite began having internal problems. Because they believed in the product, the partners were unwilling to stop marketing the vitamins and decided to expand their product line.

In 1959, they formed a new company, the Amway Corporation, and they decided that the firm should sell recession-proof necessities, like laundry and cleaning detergents. They set up offices in their basements, and with their wives and a few employees went to work. Amway acquired Nutrilite in 1972.

Mature Wealth

Van Andel achieved his enormous wealth through the Amway Corporation. The company grossed $500,000 in its first year; four years later, Amway grossed $10 million. Sales continued rising, even in bad economic times. Van Andel noticed that people who lost their jobs or felt insecure about employment were more likely to become entrepreneurs, selling products for the company. He was confident that the multilevel marketing practiced by the company could also enrich those who became distributors, who then recruited and mentored other distributors. Many of the company's employees were wildly successful, though most hung on to their regular jobs and considered their Amway earnings supplemental income. The company espoused traditional family values and encouraged husband-and-wife teams. Some of the early successful marketers brought their children and grandchildren into their businesses.

Multilevel marketing is a controversial practice, and it can often be a pyramid scheme. While not all multilevel sales organizations are pyramid schemes, all pyramid scams practice multilevel marketing. Some Amway distributors did indeed become multimillionaires. However, every investigation of the company concluded that it was not engaged in any wrongdoing. Van Andel and DeVos voluntarily changed some of the company's recruiting materials to indicate that while it was possible to attain great wealth as a distributor, the position requires hard work, entrepreneurial zeal, and a long-term commitment beyond the reach of many recruits. Those signing on with get-rich-quick expectations soon dropped out.

One thing that set Amway apart was the quality of its product line, most of it manufactured by the company. The firm gradually added cosmetics and other products to its line, along with a catalog shopping service that allowed distributors to sell carefully selected items produced by other companies. The company also sold earth-friendly, biodegradable supplies long before the terms became buzzwords. These ecologically sound products and the personal integrity of Van Andel and DeVos made it impossible for detractors to tarnish the business, although some tried.

Mike Wallace of the Columbia Broadcasting System (CBS), reputedly one of the most hard-hitting interviewers on television, took on Van Andel in a segment of the weekly newsmagazine *Sixty Minutes*. Soon after the taping, Wallace talked about the interview with newsman Larry King. Wallace admitted that he began his Amway investigations with preconceived negative ideas, but that "my attitude is now so positive, this is going to sound like an Amway commercial." He went on to say, "Their [Amway's] products are good" and "the people in Ada [Michigan] are first-rate."

Van Andel was a fixture on the *Forbes* magazine billionaire lists, once placing as high as number ten. He neither confirmed nor denied the magazine's reports, and because Amway was a privately held company, he was not required to do so.

Amway sales climbed to $7 billion annually in the late 1990's. This revenue, along with prudent investments, allowed Van Andel to become rich and live a lifestyle far beyond the wildest dreams of most people. He owned boats, planes, and lavish residences in Ada and on Peter Island in the British Virgin Islands. However, he never strayed from his roots and Calvinistic upbringing. He believed that the amount of money accumulated during one's lifetime did not matter; what mattered was how that wealth was used and how much good one did with it. Van Andel was successful on both fronts. He amassed an impressive fortune, and he practiced good stewardship with the riches he deemed a gift from God.

Van Andel undertook other business ventures, including refurbishing the Pantlind, a beautiful old hotel in Grand Rapids. The hotel reopened as the Amway Grand Plaza in 1981 and with the adjoining Grand Plaza Tower is recognized as a world-class hotel. Amway itself underwent changes under the next generation of Van Andel and DeVos leadership. Alticor, formed in 1999, is the parent company for Amway, Amway Global, and the Access Business Group. Quixtar, an Internet business, is part of Amway Global.

As a firm believer in a free enterprise system in which small businesses can flourish, Van Andel worked hard for the United States Chamber of Commerce, where he was elected to the board of directors. He served fourteen

Jay Van Andel. (AP/Wide World Photos)

years, including a term as chairman, and he used that time to further the message that "industry, not government, is the best source of economic growth."

Van Andel died of natural causes on December 7, 2004, at the age of eighty, almost a year after his wife Betty died on January 19, 2004.

LEGACY

It takes only a drive through Grand Rapids to see firsthand the legacy of Jay Van Andel. In addition to supporting his church (La Grave Avenue Christian Reformed), Christian Schools International, and conservative political causes, he gave lavishly to the community in which he attained his great wealth. Beneficiaries of his largesse include the Van Andel Museum Center at the Grand Rapids Public Museum; Van Andel Arena, a concert and professional sports venue; the Van Andel Education Institute; and the Van Andel Plaza at Hope College in Holland, Michigan.

The Van Andel Research Institute, founded by Jay and Betty Van Andel in 1996, is a medical research facility where advances continue to be made in cancer diagnosis, treatment, and prevention. In 2009, Van Andel's son, David, was chairman and chief executive officer of the institute. Some might argue that Van Andel's greatest legacy is a family actively involved in maintaining both the family business and following his example in giving back to the community with a generosity matched by few others.

—Norma Lewis

GRAND RAPIDS PUBLIC MUSEUM

When the Grand Rapids Public Museum outgrew its facility, Jay and Betty Van Andel contributed $3 million toward a new building, the Van Andel Museum Center, that opened in 1994. The museum, established in 1854, describes itself as "a collections-based educational organization that explores and celebrates the world and our [Grand Rapids] place in it." In 1971, it became the first museum to be accredited by the American Association of Museums.

The Van Andel Museum Center is the museum's main building, housing permanent exhibits, such as Furniture City, Streets of Old Grand Rapids, and Anishinabek, among others. In the mid-1800's, Grand Rapids earned the name "Furniture City," a title it held for more than one hundred years. The museum celebrates this phase of local history with examples of fine, locally made pieces, re-creations of pieces made at the Phoenix Furniture Factory and at designer Frank Davidhazy's studio, and interactive displays detailing the manufacturing process and the men and women who created the furniture.

The Streets of Old Grand Rapids is a three-quarter-scale replica of historically accurate 1890's shops and businesses, an opera house, gaslights, a streetcar, and a Queen automobile made in 1904. Anishinabek, or the People of This Place, honors the three tribes—Ottawa, Potawatomi, and Chippewa—that populated West Michigan before the English, Dutch, Poles, Germans, Lithuanians, Africans, and Asians discovered the region.

Another museum highlight, the Roger B. Chaffee Planetarium, is named for the Grand Rapids astronaut who died at the John F. Kennedy Space Center in 1967, when a fire struck the launchpad during a pretest flight of his plane. Astronauts Virgil I "Gus" Grissom and Edward H. White were also killed in the fire. The planetarium offers state-of-the-art seasonal and special shows, complete with special effects, digital sound, and laser images providing entertainment along with education.

Young and old visitors enjoy choosing their mounts on the 1928 Spillman Carousel. A giraffe, camel, goat, tiger, lion, and more than forty exquisitely carved horses prance to music provided by a Wurlitzer organ. The carousel is located in the Cook Pavilion of the main building, on the Grand River.

The Van Andel family maintains its ties to the museum. Jay and Betty's daughter-in-law, Carol, the wife of their son, Dave, served on the board of directors in 2009.

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See also: Elizabeth Arden; John H. Johnson; Robert Wood Johnson II; Anita Roddick; Helena Rubinstein; Madam C. J. Walker.

Consuelo Vanderbilt

American socialite and philanthropist

Among America's best-known heiresses, Vanderbilt was forced into marriage with an English nobleman. Bitterly unhappy and hearing impaired, she began major philanthropic work, which continued during her separation, divorce, and successful remarriage. Returning to America in 1940, she recorded these events in a best-selling memoir.

Born: March 2, 1877; New York, New York
Died: December 6, 1964; Southhampton, Long Island, New York
Also known as: Duchess of Marlborough; Consuelo Balsan
Source of wealth: Inheritance
Bequeathal of wealth: Children; relatives; friends; employees

Early Life

Consuelo Vanderbilt (kon-SWAY-loh VAN-duhr-bihlt) was the only daughter of William Kissam Vanderbilt, heir to a fortune estimated at between $40 and $65 million of the $200 million amassed by his grandfather, Cornelius Vanderbilt, and his father, William Henry Vanderbilt. Consuelo's mother was the impoverished, ruthlessly ambitious Alva Ertskin Smith Vanderbilt Belmont, who would divorce Vanderbilt, later marry millionaire Oliver Belmont, and become a woman's suffrage movement leader. Alva determined to control Consuelo, isolating her from outside influences and training her for an international marriage. Consuelo spoke and read fluent English, German, and French by age eight and hoped to study languages at Oxford University. Instead, Alva arranged a marriage with Charles Richard John Spencer-Churchill, ninth duke of Marlborough. The much-publicized wedding took place on November 6, 1895.

First Ventures

Openly contemptuous of Americans, the duke of Marlborough needed wealth to maintain Blenheim Palace, his beloved family home. As Consuelo's marriage settlement, he received $2.5 million worth of Vanderbilt money, and both he and Consuelo received $100,000 annually. As Consuelo recorded in her 1952 memoir, *The Glitter*

Consuelo Vanderbilt. (Hulton Archive/Getty Images) *and the Gold*, she was miserable, lonely, and idle as mistress of Blenheim, especially after her hearing failed. British elitism offended her, but when she paid workmen during a period of economic hardship, her husband was enraged; he used the money to adorn himself and his estate. Consuelo and the duke had two children, John, the future tenth duke of Marlborough, and Ivor. She found some relief from boredom in caring for tenants on the estate. When her husband left for the Boer War in 1899, she joined with other American-born women to raise $200,000 to provide a hospital ship for British troops, although she did not approve of the imperialistic war. This was her first major step toward finding her own voice and direction.

Mature Wealth

Separating from Marlborough in 1906, Consuelo settled at Sunderland House, London, part of her divorce settlement, along with joint custody of her sons. Her divorce was final in 1920, shortly after her father gave her an additional $15 million. Her father died in 1920, and she was among his heirs. On July 4, 1921, Consuelo married wealthy French industrialist and famed pilot Louis Jacques Balsan. They lived in France until 1940, when they fled from Nazi invaders, having heard that Consuelo was to be captured and held for ransom.

Consuelo used her wealth for causes primarily benefiting women and children, although she was never committed to radical political activities. She served on the London County Council, and her publications include a three-part essay, "The Position of Women," in the *North American Review* (1909). In England, she helped finance and raise funds for a women's college, a shelter where convicts' wives could earn money, lodging houses, and insurance plans for working and poor women. She chaired the American Women's War Relief Fund during World War I, financing a four-hundred-bed military hospital. In France, she established a hospital and a sanatorium for sick children. She received the French Legion of Honor in 1931.

Returning to America, she retired from public life. Her husband and younger son died in 1956. At her death in 1964, she left an estate estimated at between $1 and $2 million.

Legacy

During Consuelo Vanderbilt's lifetime, higher education and some professions were opening to women, but these opportunities were of most benefit to middle-class women. The very poor and very rich alike were viewed as commodities, with poor women destined to a life of drudgery and rich women expected to enhance their families' social prestige. When the pain of her marriage forced her into self-awareness, Consuelo was one of the few wealthy women who broke out of their gilded prisons to use their wealth for the good of the larger community.

—*Betty Richardson*

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Cornelius Vanderbilt

American steamship and railroad magnate

Vanderbilt established the personal fortune that would be passed down to generations of his family and would make his name synonymous with American wealth. He amassed his fortune through his ownership of steamboat and railroad lines, often resorting to manipulative business practices to drive out his competitors.

Born: May 27, 1794; Port Richmond, Staten Island, New York
Died: January 4, 1877; New York, New York
Also known as: Cornelius Vanderbilt; The Commodore
Sources of wealth: Transportation systems; railroads; investments
Bequeathal of wealth: Spouse; children; educational institution

Early Life

Cornelius Vanderbilt (kor-NEEL-yihs VAN-duhr-bihlt) was born in 1794 in a farming village on Staten Island, New York. He was the fourth of nine children born to Cornelius and Phebe Hand Vanderbilt. His family were middle-class workers who raised livestock, farmed their land, paid their taxes, and attended Moravian church services. Vanderbilt was the first of his family to demonstrate an ambition for achievement and wealth. He was known for his willfulness, fierce independence, stubbornness, and elevated physical energy. He disliked weakness and admired strong and independent individuals.

At age thirteen, Vanderbilt chose to work on the family farm and a local ferry instead of completing his education. By this time, his older brother had died, and his parents needed his help on the farm. He discovered he did not like farming but loved the water. Vanderbilt chose to learn and work in the ferry business, physically difficult work which he enjoyed.

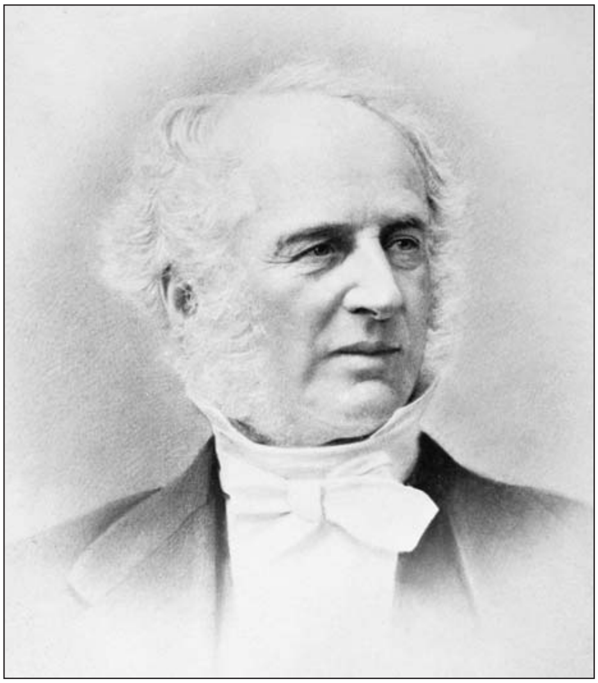
First Ventures

Vanderbilt approached his frugal mother Phebe when he was sixteen years old, asking for a loan of $100 to buy a boat that could carry twenty passengers. She agreed to make the loan, but he had to work for it by plowing eight acres of farmland. He found some friends who would help him plow in exchange for the excitement of future fishing trips and rides on his boat. With his mother's loan, he bought his first periauger, a two-masted sailboat, and established a ferry that carried passengers between Manhattan and Staten Island. A year later, he returned the $100 to his mother along with a $1,000 bonus, and in subsequent years he gave her $1,000 annually to cover family expenses. Vanderbilt soon acquired interests in several other boats, beginning his career in the transportation industry.

At nineteen, Vanderbilt married Sophia Johnson, his first cousin, and he worked constantly to build his wealth. In 1814, following the War of 1812, he signed a lucrative service contract with the U.S. military, securing twice as much business. With his profits from this venture, he built a schooner, and he and his brother-in-law later built an even larger sailboat. He banked the sum of $9,000 when he was twenty-three, having saved $3,000 a year for the past three years.

Mature Wealth

Vanderbilt realized that the steamboat would revolutionize transportation, and in 1818 he went to work for a steamboat company that operated in New York City and New Jersey. He initially earned $1,000 a year as a steam-



Cornelius Vanderbilt. (Library of Congress)

Vanderbilt University

Despite his great wealth, transportation mogul Cornelius Vanderbilt made few charitable donations. However, during his lifetime he performed one major act of philanthropy—providing the funds to establish Vanderbilt University in Nashville, Tennessee.

A self-made man with little formal education, Vanderbilt did not value intellectualism. However, after a discussion with his friend, the Reverend Dr. Deems of the Church of Strangers, Vanderbilt expressed some interest in funding a Moravian university. Deems, who had been a clergyman in the South, believed that the proposed university should be located in the South to enable this area of the United States to reconcile with the North after the Civil War.

Deems knew Holland N. McTyeire, a bishop in the Southern Methodist Church and a cousin of Vanderbilt's second wife. McTyeire went to New York for medical treatment in 1873, and while there he recuperated in Vanderbilt's mansion. Vanderbilt was impressed with McTyeire, and he agreed to support a university in the South that would "contribute to strengthening the ties which should exist between all sections of our common country." In 1873, Vanderbilt donated an initial $500,000 to build Central University of Nashville, eventually renamed Vanderbilt University. He would later provide another $500,000, although his $1 million contribution was less than 1 percent of the net worth of his estate.

During the university's first forty years, the Methodist Episcopal Church, South, provided oversight for the school. However, in 1914, the school's self-governing board of trust discontinued the university's relationship with the church. By 1963, Vanderbilt had gained recognition as one of the top twenty private universities in the United States and maintained that ranking into the twenty-first century.

In 2009, Vanderbilt's annual enrollment was more six thousand undergraduates and more than five thousand graduate and professional students. The campus had ten schools, a public policy center, a medical center, and The Freedom Forum First Amendment Center. The nation's largest collection of network newscasts is housed at the Vanderbilt Television News Archive. The Vanderbilt-Ingram Cancer Center is designated as a comprehensive care center by the National Cancer Institute, one of forty-one such centers in the United States and the only one in Tennessee. In 2007, the Vanderbilt School of Medicine ranked tenth in National Institutes of Health funding with $282.3 million, an increase of $36.7 million from the previous year. Vanderbilt Hospital provided $183 million in charity care in 2008. Hospital services include a trauma center; an adult and pediatric burn center; a comprehensive children's hospital, with nineteen specialties and a neonatal intensive care unit; and the state of Tennessee Poison Control Center and Organ Transplant program.

boat captain, and he learned everything he could about the steamboat business. After more than a decade in this job, he resigned and in 1829 started his own steamboat line. His company operated between New York City and Philadelphia, earning Vanderbilt profits of $30,000 in the first five years and $60,000 in the following years.

He subsequently established steamboat lines that operated between New York City and Peekskill, New York, and between New York City and Albany. These and his other steamboat lines faced stiff competition from rival companies. However, Vanderbilt developed a successful strategy of slashing his rates, which would increase his business, eventually driving out his competitors or forcing him to sell out.

By age forty, Vanderbilt had accumulated $500,000. He continued to watch for trends in the transportation business and to capitalize on them for his personal gain. He was reported as saying that he had been successful because he kept to his own business and kept his business dealings secret until after he had completed them. This strategy proved strategic in the competitive world of transportation.

By 1846, Vanderbilt was worth several million dollars. He had also acquired a nickname, The Commodore, because of the profits he generated from his steamboats. He increased his earnings by more than $1 million annually after the 1849 California gold rush, when he recognized that would-be prospectors from the East Coast would need to travel to the goldfields. Vanderbilt founded the Accessory Transit Company, which transported passengers to Nicaragua and then to San Francisco at half the price of a rival firm. His company provided this service for about nine years, earning Vanderbilt about $10 million.

Although The Commodore seldom revealed the value of his wealth, by some estimates he had about $7 million in assets, while continuing to earn around $100,000 per month in income from his steamboat business. This business would eventually generate around $20 million for Vanderbilt.

As early as the 1840's, Vanderbilt realized that the railroads would result in decreased steamboat travel. In 1849, he became a director of the New York and New Haven Railroad after buying stock in the line. He subsequently became a director of the New York and Harlem Railroad, which operated in New York City.

Among his railroad ventures, he purchased the stock of the New York and Hudson Railroad for $25 a share, and the price climbed to $150 in less than one year. In the end, Vanderbilt made about $3 million in this stock deal and gained control of the line's management. He entered into a bidding war with competitors over stock in the New York and Harlem Railroad, finally selling his stock for $285 per share, which generated proceeds of slightly less than $25 million. As a result of this bidding war, he gained control of the Harlem line in 1863 and became its president. He sought to merge rail lines, improve them, manage them with fewer overhead expenses, and increase his profits.

In 1867, Vanderbilt acquired control of the New York Central Railroad, and two years later he merged this line with his Hudson River Railroad, creating the New York Central and Hudson River Railroad. His other rail lines, including the New York and Harlem Railroad and railways operating in the Midwest and Canada, were operated as a part of the New York Central.

Vanderbilt was not known as a philanthropic businessman, but before he died he funded Vanderbilt University in Nashville, Tennessee, with a donation of $1 million. At his death in 1877, this father of thirteen children left an estate worth $105 million. In 2007, *The New York Times* reported Vanderbilt's wealth to be $143 billion in 2007 dollars.

Legacy

Cornelius Vanderbilt's affluence was the result of long hours of work, manipulative business practices, and personal sacrifice. He followed his instincts as a young man and built his business on the water, which he loved. Ever vigilant of the trends in transportation, he moved his interests from sailboats to steamboats to railroads. He was diligent in his pursuit of money and provided reduced prices and desired services for his customers. Vanderbilt was severely competitive, tireless, and reliable, but he was also frugal; all of these characteristics built the Vanderbilt fortune.

—Marylane Wade Koch

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See also: William Henry Aspinwall; John Insley Blair; William Andrews Clark; Jay Cooke; Charles Crocker; Daniel Drew; Henry M. Flagler; John W. Garrett; Jay Gould; Edward H. Harriman; James J. Hill; Collis P. Huntington; Daniel Willis James; George Mortimer Pullman; Russell Sage; Leland Stanford; William Thaw; Consuelo Vanderbilt; Gloria Vanderbilt; William Henry Vanderbilt.

Gloria Vanderbilt

American businesswoman, socialite, and author

An heir to the Vanderbilt family fortune when she was only fifteen months old, Gloria Vanderbilt became a textile and fashion designer, actor, artist, perfume manufacturer, and author.

Born: February 20, 1924; New York, New York
Also known as: Gloria Laura Morgan Vanderbilt; Gloria Vanderbilt DiCicco; Gloria Vanderbilt Stokowski; Gloria Vanderbilt Lumet; Gloria Vanderbilt Cooper
Sources of wealth: Inheritance; sale of products; writing; investments
Bequeathal of wealth: Unknown

Early Life

Gloria Laura Morgan Vanderbilt (VAN-duhr-bihlt) was the daughter of Gloria and Reginald Claypoole Vanderbilt. Her father was the grandson of transportation magnate Cornelius Vanderbilt. When she was only fifteen months old, her father died, leaving her a $4 million trust fund. After she gained access to these funds, Vanderbilt and her mother moved to Paris, where her mother enjoyed a socialite's lifestyle.

In a highly publicized legal battle, Reginald's aunt, sculptress Gertrude Vanderbilt Whitney, sought custody of Gloria, and Gloria began living with her aunt in 1931. Gloria enrolled in the Mary C. Wheeler School in Providence, Rhode Island, and in Miss Porter's School in Connecticut. She discovered her love for the arts and began keeping a journal, which helped with her later writing.

Vanderbilt left school at age seventeen, and in 1941 she married Pasquale DiCicco, an actors' agent. This marriage lasted until 1945, and that same year Vanderbilt wed conductor Leopold Stokowski, with whom she had two sons, Stanislaus, born in 1950, and Christopher, born in 1955. She divorced Stokowski in 1955, and the next year married her third husband, director Sidney Lumet.

Gloria Vanderbilt discussing her poetry on CBS radio in the early 1950's. (CBS/ Getty Images)

First Ventures

Vanderbilt wrote her first book, *Love Poems*, published in 1955. She based this book on her diaries. Other books would follow. In the mid-1950's, Vanderbilt trained to be an actor at the Neighborhood Playhouse School of the Theater in New York City, and she made her debut in the play *The Swan*. She had several roles on television programs, including appearances in two episodes of *Studio One* in 1957; in a play directed by Lumet, *Dog in a Bush Tunnel*, which aired on *Kraft Televison Theatre* in 1958; and in an episode of the television series *Adventures in Paradise* in 1960. She also performed in a Broadway play and summer stock. Her acting brought her publicity, acclaim, and income.

Gloria had studied art at New York's Art Students League before she married her fourth husband, Wyatt Emory Cooper, in 1963. She and Cooper had two sons, Carter (1965-1988) and Anderson, born in 1967. Cooper encouraged her to pursue her artwork, and she began to give one-woman shows of oils, pastels, and watercolors.

Mature Wealth

In 1968, Vanderbilt began to design linens, china, glassware, and flatware for Hallmark Paper Products and textile manufacturer Bloomcraft, which adapted her designs and licensed her work. By 1970, the name "Gloria Vanderbilt" appeared on eyeglasses and clothing, notably on her collection of high-end jeans, which she introduced in the mid-1970's. The following decade, she began marketing her perfume, Glorious. These products carried her logo of a swan, a reference to her favorite acting role in the play *The Swan*.

In the 1980's, Vanderbilt's attorney, Thomas A. Andrews, and her psychiatrist, Christ L. Zois, founded a design company. Vanderbilt sued the two men, alleging that by establishing their business they had colluded to defraud her of her $2 million line of home furnishings. An extensive court case was settled in her favor, and the two partners lost their licenses to practice law and psychiatry. The court awarded Vanderbilt damages in the amount of $1.6 million, but she never obtained the vast majority of this sum. When she had to sell her town house to pay her back taxes, Vanderbilt, a widow after Cooper's death in 1978, realized she needed additional income.

She received royalties from her nonfiction books. Three of of her earliest books were *The Gloria Vanderbilt Book of Collage* (1970), *Paintings and Crayon Drawings* (1977), and *Woman to Woman* (1979), in which she provides practical advice to other women. She used her diaries to prepare the autobiographical *Once upon a Time: A True Story* (1985); *Black Night, White Night* (1987); *A Mother's Story* (1996), which described her son Carter's suicide; and *It Seemed Important at the Time: A Romance Memoir* (2004). These successful books were able to increase her income. Vanderbilt also wrote works of fiction, including *Never Say Good-Bye* (1989), the semifactual *The Memory Book of Starr Faithfull* (1994), *Stories and Dream Boxes* (2002) with Richard Burgin, and *Obsession: An Erotic Tale* (2009).

Legacy

The public's interest in Gloria Vanderbilt's family and her inherited wealth enabled her to successfully market her fashions, perfumes, art, and books, which in turn increased her fortune. At the age of eighty-six, she continued to write books. Other writers have found Vanderbilt to be a subject of interest. Truman Capote claims to have based the character Holly Golightly in his novella *Breakfast at Tiffany's* on Vanderbilt. *Little Gloria . . . Happy at Last*, a television miniseries about her great-aunt's battle to retain custody of the young Vanderbilt, aired in 1982. Anderson's children, including her son Anderson Cooper, a television newsman, are also a legacy of this artist, writer, socialite, and businesswoman.

—*Anita Price Davis*

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See also: Eighteenth Duchess of Alba; Giorgio Armani; Brooke Astor; Ralph Lauren; Consuelo Vanderbilt; Cornelius Vanderbilt; William Henry Vanderbilt.

William Henry Vanderbilt
American railroad magnate

Vanderbilt inherited $100 million when his father, Cornelius Vanderbilt, died. Vanderbilt expanded the family's railroad empire, amassing a fortune of almost $200 million by the time of his death.

Born: May 8, 1821; New Brunswick, New Jersey
Died: December 8, 1885; New York, New York
Sources of wealth: Inheritance; railroads
Bequeathal of wealth: Spouse; children; charity

Early Life

William Henry Vanderbilt (VAN-duhr-bihlt) was born on May 8, 1821, to Cornelius and Sophia Vanderbilt. As a child, William was frail and often sickly. Because of his ill health, his father never thought much of William and regularly insulted him. Even into adulthood, Cornelius believed that William was not smart enough to run the family business and called him names like "beetlehead," "blockhead," and "good for nothing." When William was a teenager, Cornelius got him a job in a New York banking house. The two men had a falling-out when William was nineteen and decided to marry Maria Louisa Kissam. Cornelius felt that his son's decision to marry the daughter of a poor minister from Brooklyn exhibited bad judgment.


William Henry Vanderbilt. (©Bettmann/CORBIS)

First Ventures

Cornelius bought a seventy-acre farm on Staten Island and sent William to run it. All eight of William and Louisa's children were born while living on the farm. Under his management, the farm grew to 350 acres and became increasingly profitable.

It was at William's urging that the Vanderbilts entered the railroad business. In 1857, he convinced his father to put him in charge of the small Staten Island railroad that was bankrupt. William expanded the railroad, and soon it was turning a profit. By this point, his father had started to take notice of his "blockhead" son's business sense.

Cornelius moved William and his family back to Manhattan in 1864. By then, Cornelius had left the steamboat business and had bought the New York and Harlem Railroad. He made William a vice president of this line. After his father took over the New York and Hudson River Railroad, William also became vice president of this railway.

The two men worked together for several years, during which William learned a great deal about his father's business. He also made suggestions for expanding the family's growing railroad empire. It was William who encouraged his father to buy the Michigan Central Railroad and the Lake Shore and Michigan Southern Railway. The Vanderbilts' New York railroad was now connected with Detroit and Chicago.

Mature Wealth

As Cornelius reached old age, he decided he would not fragment the family fortune by dividing it equally among his many children. Upon his death in 1877, Cornelius left $200,000 to each of his eight daughters. His son, Cornelius Jeremiah, who was a drunken gambler and could not be trusted with the business, received $300,000. The bulk of Cornelius's estate, $100 million, was bequeathed to William. The other Vanderbilt children sued William for a larger share of the inheritance. He agreed to pay each of his sisters an additional $500,000, and he made a similar deal

Vanderbilt Mansions

William Henry Vanderbilt's elaborate Fifth Avenue mansion covered the entire block from Fifty-first to Fifty-second Street. Construction of the New York City residence began in 1879. The original plans called for the home's facade to be made of white marble. However, Vanderbilt was in declining health, and he did not want to wait for the marble to be quarried and sent to New York. Instead, he constructed the mansion with brownstone, which could be quarried in New Jersey or Connecticut. More than six hundred men labored day and night for a year and a half to build the mansion.

The Vanderbilt family moved into the residence in January, 1881. William, his wife, Maria, and their teenage son, George, lived in the southern half of the mansion, while the northern half was divided into two parts and shared by William's daughters Emily and Margaret and their husbands. New York residents commonly referred to the home as the "twin Vanderbilt mansions."

The mansion was five stories high but from the outside appeared to have only three stories. The cost of the residence was more than $3 million, exclusive of its furnishing. The ornamentation and furnishing of the mansions took an additional two years to complete. Visitors entered a large foyer, shared by the three sections of the house, that contained a skylight made out of stained glass. The public was allowed to view Vanderbilt's extensive art collection by invitation on Thursdays.

Four of Vanderbilt's children also built mansions in New York City. His daughter Lila and her husband, William Seward Webb, built their residence on Fifth Avenue near Fifty-third Street, adjacent to Saint Thomas Church. Daughter Florence and her husband, Hamilton Twombly, lived in a mansion next door. William Kissam Vanderbilt and his wife, Alva Ertskin Smith Vanderbilt Belmont, had their mansion built in the style of a French château at the northwest corner of Fifty-second Street and Fifth Avenue. Six blocks away, Cornelius Vanderbilt II lived with his wife, Alice, at Fifth Avenue and Fifty-seventh Street. The family also bought a number of lots along Fifth Avenue, and the area was soon known as Vanderbilt Row. However, by 1947 all of the Vanderbilts' New York City mansions had been torn down.

The Vanderbilts constructed mansions in many other locations, including the country home built by William Henry's son Frederick William Vanderbilt in Hyde Park, New York. Frederick remodeled the mansion that was on the site when he purchased it. The northern and southern wings of the residence were removed and then expanded. A pavilion was built to temporarily accommodate the family until the mansion was completed. Frederick summered at the mansion until his death in 1938. After his death, the estate was given to his wife's niece. She gave the mansion to the federal government in December, 1940, and the government declared it a National Historic Site and opened it to the public.

William Henry's youngest child, G. W. Vanderbilt II, constructed Biltmore, a country home located in Asheville, North Carolina, which in the early twenty-first century was still owned by members of the family. The Biltmore mansion contains four acres of floor space, with 250 rooms, making it the largest privately owned home in the United States. It is open to the public and includes an inn and winery on the seventy-five-acre property. G. W.'s widow sold eighty-five thousand acres of the property to the government, which preserved it as a national forest.

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with his brother. Having satisfied his siblings, William established himself as the new head of both the Vanderbilt family and the railroad empire.

Vanderbilt continued to expand his railroad company in the Midwest, including the cities of St. Louis and Indianapolis. He acquired the Chicago and Northwestern; Nickel Plate; and Cleveland, Columbus, and Cincinnati Railroads, as well as other rail lines. In 1879, Vanderbilt sold more than half of his shares of stock in the New York Central Railroad in an attempt to quiet antimonopoly activists and negative coverage from news reporters. He hired a young financier, J. P. Morgan, to handle the sale without causing the price of the stock to plummet. Morgan sold the shares, brought in a number of European investors, and received $30 million for the stock. Vanderbilt paid Morgan's investment group $3 million in commissions and gave Morgan a position on the New York Central's board of directors.

Vanderbilt is probably best remembered for a statement he made to a reporter in October, 1882. When asked whether he felt that railroads should be run for the benefit of the public, Vanderbilt answered that he was working for his stockholders and, "the public be damned!" The railroad industry at this time was highly competitive. Smaller companies would often build rail lines nearby the operations of larger railroads and then charge lower rates than their larger competitors. The small lines hoped that the larger companies would then buy them out. Shortly after Vanderbilt bought the Nickel Plate Railroad, the West Shore Railroad began advertising competing fares and faster routes. The Pennsylvania Railroad was rumored to be buying large amounts of stock in West Shore, expecting to profit when Vanderbilt's New York Central bought out the company. Vanderbilt, however, opted to start a rate war to force the Pennsylvania Railroad out of business. In 1883, Vanderbilt retaliated against the Pennsylvania line by purchasing controlling stock in the Southern Pennsylvania Railroad. Vanderbilt had also made a deal with the major steel producers in Pittsburgh, who were unhappy with the Pennsylvania Railroad. He then conducted a two-year survey of the state of Pennsylvania and began building tracks rivaling the Pennsylvania Railroad's routes. In 1885, Morgan negotiated a deal that gave the Pennsylvania Railroad control of the Southern Pennsylvania and Beech Creek Railroads. In exchange, Vanderbilt was able to buy out the bankrupt West Shore. In the late 1930's, Vanderbilt's planned Pennsylvania rail routes were turned into the country's first turnpike, a testament to his extensive surveying and planning.

As the head of a corporate empire, Vanderbilt felt he needed a home that reflected his status. He purchased the block of Fifth Avenue in New York City between Fifty-first and Fifty-second Streets, the site of a run-down mansion that had been damaged during the 1863 draft riots. Vanderbilt had two massive homes built on the block beginning in 1879, and he and his family moved in two years later. The mansion on the southern section of the property, at the corner of Fifth Avenue and Fifty-first Street, was the home of William, Louisa, and their teenaged son George. The residence on the northern section was divided in two parts and was occupied by Vanderbilt's daughters Emily and Margaret and their husbands.

Vanderbilt was generous with his fortune. In 1869, an ancient Egyptian obelisk, known as Cleopatra's Needle, was given to the United States. Vanderbilt paid all the expenses to transport the gift from Egypt to America, where it was erected in Central Park in 1881. The obelisk is located across the street from the Metropolitan Museum of Art. In 1884, Vanderbilt gave $100,000 to Vanderbilt University in order to finance a theological school. That same year he also donated $500,000 to create Columbia University's College of Physicians and Surgeons.

William Henry Vanderbilt died in his home, unexpectedly, around two o'clock in the afternoon on December 8, 1885. Unlike his father, William divided his nearly $200 million fortune more equally among his widow, sons, and a number of charities. He left $200,000 to Vanderbilt University, $100,000 to St. Luke's Hospital, $100,000 to the New York YMCA (Young Men's Christian Association), $100,000 to the Metropolitan Museum of Art, $50,000 to the American Museum of Natural History, and $450,000 to other charities and religious organizations.

Legacy

William Henry Vanderbilt first interested his family in the railroad business, convincing his father Cornelius to let him run a small rail line in 1857. Vanderbilt surprised his father with his financial and business abilities, and he later extensively increased the railroad empire he inherited from his father. In the less than nine years that Vanderbilt lived after Cornelius's death, he almost doubled the family fortune to nearly $200 million. Vanderbilt also secured his family's place in society and built two elaborate mansions on Fifth Avenue in New York City. He filled his home with one of the largest private collections of artwork and sculpture in the world. Several of his descendants followed his example by building extravagant mansions of their own. William was also a great philanthropist, donating hundreds of thousands of dollars to various hospitals, museums, churches, universities, and other organizations.

—Jennifer L. Campbell

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See also: William Andrews Clark; Jay Cooke; Charles Crocker; Daniel Drew; Henry M. Flagler; John W. Garrett; Roberto C. Goizueta; Edward H. Harriman; James J. Hill; Mark Hopkins; Collis P. Huntington; Daniel Willis James; J. P. Morgan; George Mortimer Pullman; Russell Sage; Leland Stanford; William Thaw; Consuelo Vanderbilt; Cornelius Vanderbilt; Gloria Vanderbilt.

Stephen Van Rensselaer III

American landowner, military leader, and politician

Van Rensselaer was in effect the last patroon of Rensselaerswyck, a huge quasi-feudal estate in east-central New York that he had inherited from his Dutch forebears. His public service and charitable ventures earned him the nickname "The Good Patroon."

Born: November 1, 1764; New York, New York
Died: January 26, 1839; Albany, New York
Also known as: The Good Patroon
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Spouse; children; educational institution

Early Life

Stephen Van Rensselaer (van REHN-suh-lihr) III was born into a rich and famous family. His father, Stephen Van Rensselaer II, was a descendant of Kiliaen Van Rensselaer, a jewel merchant in Amsterdam, who, through an agent, had bought a vast tract of land in New Netherland from the Mohawks and Mohicans in 1630. Eventually the estate, Rensselaerswyck, in what is now the state of New York, stretched twenty-four miles along the Hudson River and twenty-four miles on each side and included thousands of tenants. In 1763, Stephen Van Rensselaer II married Catherine Livingston, whose father, Philip Livingston, would sign the Declaration of Independence in 1776. The family's big house at Albany was not yet completed, so the couple initially lived with Catherine's parents in New York City, where Stephen Van Rensselaer III, their first child, was born on November 1, 1764. The next year the young parents moved with their son to Albany.

First Ventures

When Stephen Van Rensselaer II died in 1769, Stephen Van Rensselaer III became the new patroon, although his mother and an uncle were in charge of the family's lands. In the New Netherland colony, a patroon was a landholder with manorial rights to large tracts of property.

After receiving a general education at home and elsewhere and learning Latin and Greek, Van Rensselaer entered the College of New Jersey, now Princeton University, but eventually transferred to Harvard University, from which he earned a bachelor's degree in 1782. Within a year, on June 6, 1783, Van Rensselaer married his cousin Margarita Schuyler, whose father had served as an American general in the Revolutionary War and would later represent New York in the U.S. Senate. This marriage made Van Rensselaer the brother-in-law of Alexander Hamilton, who had married Margarita's sister Elizabeth in 1780 in a ceremony at which Van Rensselaer's stepfather, the Reverend Eilardus Westerlo, had presided.

On November 1, 1785, upon reaching his majority, Van Rensselaer, along with his wife and their baby daughter, moved from Westerlo's parsonage, where they had been living, to the Rensselaerswyck manor house, and Van Rensselaer's mother and stepfather moved to the parsonage. Van Rensselaer himself now controlled his lands and the immense rent they brought in money and agricultural commodities.

Mature Wealth

With great riches and a distinguished family, Van Rensselaer had an inclination toward public life, despite his lack of showmanship. A Federalist during the years when Hamilton's Federalist Party existed, Van Rensselaer served in the New York Assembly from 1789 to 1790 and in the New York Senate from 1790 to 1795. As a state senator, he voted in 1792 for the gradual elimination of slavery in New York. That same year, some of his tenants challenged his legal title to his land; that incident, combined with his generosity, led to his leniency in collecting rents. From 1795 to 1801, Van Rensselaer served as New York's lieutenant governor, while the Federalist leader John Jay served as governor.

The year 1801 was a time of loss. Van Rensselaer's gubernatorial campaign failed, and in March his wife died, survived by one son but preceded in death in 1787 by her daughter and another son. In 1802, Van Rensselaer married Cornelia Paterson, the daughter of William Paterson, an associate justice of the U.S. Supreme Court. The couple eventually had three daughters and six sons, thus creating a large number of heirs to the Van Rensselaer fortune.

The biggest challenge in Van Rensselaer's public life came in 1812, when Congress declared war against Great Britain. Daniel D. Tompkins, the governor of New York and a member of the Democratic-Republican Party, asked Van Rensselaer to command the state militia. By appointing a political foe to the position, Tompkins hoped to win Federalist support for the war. Recognizing his own initial opposition to the war and his military inexperience, Van Rensselaer nevertheless accepted the appointment, with the understanding that he would rely on a militarily experienced cousin for advice. Motivated by a sense of obligation as a wealthy public man and by a dread of being called cowardly if he remained a civilian, Van Rensselaer faced a nearly impossible task in trying to transform underfed, ill-equipped, untrained, inexperienced, long unpaid, and often insubordinate militiamen into an army that could not only defend New York along its western boundary but also take control of Upper Canada before winter. Suspecting that his American political enemies might accuse him of treason if he did not invade Canada, Van Rensselaer launched an attack on October 13, 1812, from Lewiston, New York, across the Niagara River against the British and their allies near Queenston. The Americans captured Queenston Heights, but they could not move enough fighting men across the river fast enough to stave off the British counterattack. The day ended with Van Rensselaer's cousin severely wounded and with the Americans in Canada surrendering. On the New York side of the river, Van Rensselaer arranged a truce, and he soon relinquished his command and returned to civilian life.

The Rensselaer Polytechnic Institute

Writing on November 5, 1824, to the Reverend Samuel Blatchford, Stephen Van Rensselaer III established what is now Rensselaer Polytechnic Institute (RPI), the oldest degree-granting, continuously operating technological school in an English-speaking country. Blatchford became the school's first president, while Amos Eaton, as senior professor, and Lewis Beck, as junior professor, were its first faculty members. Located in Troy, New York, and initially called the Rensselaer School, the institute's purpose, according to Van Rensselaer, was to prepare its students to apply science to life's ordinary experiences, focusing on the training of individuals who would teach students in the New York public schools to apply scientific principles to farming, housekeeping, and manufacturing.

Instruction began on January 3, 1825, with ten students. Supported in large part by Van Rensselaer's money and energized by Eaton, the Rensselaer School held its first graduation ceremony on April 25, 1826, and it officially became the Rensselaer Institute in 1832. In 1835, the institute broadened its purpose beyond Van Rensselaer's goal of training science teachers. In this year, it began offering two degrees—bachelor of natural science and civil engineer.

The relationship between the Van Rensselaers and the institute inevitably changed over time. Even before Stephen Van Rensselaer died, his son Cortlandt had told Eaton that the institute should not depend on the family's patronage. Shortly after Van Rensselaer's death in 1839, Eaton told Philip Van Rensselaer, a trustee and Stephen's son, that his father had promised the Rensselaer Institute $10,000 if the citizens of Troy gave an equal sum. Philip's brother Alexander replied, saying that even if his father had said so, the promise was no longer binding. However, in 1844, two years after Eaton's own death, the city of Troy donated real estate worth $6,500 to the institute, and William Van Rensselaer, another of Stephen's sons, provided a matching endowment. The direct connection between Stephen Van Rensselaer's children and the institute continued for more than two decades until William and Alexander finished their terms as trustees.

The institute prospered academically from 1847 to 1859, with Benjamin Franklin Greene as senior professor. Greene began using the name "Rensselaer Polytechnic Institute" and referring to himself as "director," although those names did not become official until 1861. A period of academic contraction began in 1871, when for fourteen years the only degree offered was in civil engineering. Under Palmer C. Ricketts, however, the institute expanded enormously. Ricketts became director in 1892, and in 1901 he also became president. Through his leadership until his death in 1934, the institute built extensively on its main campus, expanded its offerings, and began a program leading to master's degrees and doctorates. Despite what Stephen Van Rensselaer said in his letter to Samuel Blatchford, the institute does not have a school of education or agriculture, nor has it a department of home economics. Nevertheless, since Ricketts's death, through good times and bad, the school has continued to be a leader in technological education.

Despite the defeat, almost inevitable under the circumstances, Van Rensselaer remained respected, as well as rich, and he ran again for governor in 1813, when he failed to unseat Tompkins. Later in the decade, Van Rensselaer returned to the New York Assembly, and in 1821 he participated in a New York constitutional convention, as he had done twenty years earlier. From 1823 to 1829, he served in the U.S. House of Representatives, where he worked to attain better discipline in the state militias and chaired the Committee on Agriculture.

While in the House of Representatives, Van Rensselaer in effect picked John Quincy Adams to be the sixth president of the United States. None of the presidential candidates in the general election of November, 1824, had won a majority of electoral votes. Under the terms of the Twelfth Amendment to the U.S. Constitution, the House of Representatives had the authority to vote on the top three candidates. A supporter of Adams, Van Rensselaer cast the decisive vote that resulted in Adams's election by the House of Representatives on February 9, 1825.

Even when he was not serving in politics or the military, Van Rensselaer kept active beyond Rensselaerswyck. Besides assuming high office in Freemasonry, he worked as an Erie Canal commissioner, paid for geological surveys conducted by the scientist Amos Eaton, founded and supported what is now Rensselaer Polytechnic Institute, and supported other colleges, as well as serving as a college trustee. For many years, Van Rensselaer was a regent and then the chancellor of the University of the State of New York. He also was a benefactor of an Albany orphanage and the Dutch Reformed Church, and as a businessman he became the first president of a bank and of New York's first railroad. After two years of poor health, Van Rensselaer died at his home on January 26, 1839, at the age of seventy-four. At the time of his death, his estate was valued at $10 million.

Legacy

Not long after the plain funeral that Stephen Van Rensselaer III had requested, Rensselaerswyck began to disintegrate. The heirs' efforts to collect overdue rents led tenants to refuse to pay, eventually resulting in an antirent movement that spread from the Van Rensselaer estate to other estates that remained from New Netherland. After violence and so much political manipulation that the colonial Dutch system of nearly feudal landholding seemed no longer viable, the Van Rensselaer heirs sold their rights to their ancestral land piecemeal. Nevertheless, Stephen Van Rensselaer III's reputation for public service and generosity remained, as did the institutions he had founded or supported. As a gentleman widely respected and often called upon, he was not only effectively the last patroon but also "The Good Patroon."

—*Victor Lindsey*

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See also: Moses Brown; Robert Carter; Paul Cuffe; Elias Hasket Derby; Benjamin Franklin; John Hancock; John McDonogh; Robert Morris; William Penn; George Washington.

Juan Antonio Corzo Vicentelo

Corsican merchant and aristocrat

Trading worldwide goods and African slaves for South American gold and silver, Vicentelo became the richest merchant of his age.

Born: c. 1517; Calvi, Corsica (now in France)
Died: April 17, 1587; Seville, Spain
Also known as: Juan Antonio Corzo Vicentelo de Leca; Gian Antonio Vincentelli de Leca (birth name); First Count of Cantillana
Sources of wealth: Trade; slave trade
Bequeathal of wealth: Spouse; children

Early Life

Juan Antonio Corzo Vicentelo (wahn ahn-TOH-nee-yoh KOOR-zoh bee-THIHN-tay-loh) de Leca was born around the year 1517 to a Genoese family on the island of Corsica. His father was Vicentelo Nicoroso de Leca; his mother was Bernardina de Frate. Corsica was then a part of the Genoa Republic. Vicentelo's uncle, Antonio Corzo el Viejo, was a leading trader with Spain's new American colonies. Vicentelo began his life at sea at the age of thirteen, sailing in various Mediterranean fleets.

First Ventures

El Viejo was the family patriarch of a tight-knit group of Corsicans making their fortune in the Atlantic trade. He resided in Seville, Spain's chief trading city, and married into one of Seville's most distinguished families. Vicentelo became his chief protégé. Sometime in the late 1530's, el Viejo sent Vicentelo to Lima (now in Peru), the major South American port for trade with Spain and Asia. By 1544, Vicentelo was well established in Lima and in the mercantile city of Nombre de Dios (now in Panama), trading oils, saffron, linens, and African slaves for silver from the Potosí mine and for gold.

Mature Wealth

Through the 1540's, Vicentelo crisscrossed the Atlantic, adeptly building his fortune amid the brutal civil wars of the Spanish colonies. In 1551, he returned to Seville with fabulous wealth. He used his capital to merge his enterprises with those of el Viejo. Gaining a papal dispensation, he married his first cousin, Brigida, daughter of el Viejo. On his marriage he declared his wealth to be about 30,000 golden ducats. (The 2010 equivalent of a ducat is estimated at around $125.) El Viejo granted the couple an additional dowry of 4,000 ducats.

In 1558, Vicentelo returned from South America for good. Concentrating on making his way in Seville society, he entrusted his trading business to family members and servants. Under the management of Juan Lucas Corzo, Vicentelo's business ventures continued to flourish. In 1565, his enterprise in Lima was estimated to be worth 80,000 ducats. His joint company with el Viejo had earned about 5 million maravedies (375 maravedies were worth 1 ducat). His total enterprises were worth 300,000 ducats. When el Viejo died in 1563, he left his vast fortune of 30 million maravedies to the administration of Vicentelo, who became the new patriarch of Corsican traders in Seville.

A contemporary chronicler, Antonio Filippini, called Vicentelo the "wealthiest man in Christendom." On April 26, 1567, King Philip II named him the first señor (lord) of the town of Cantillana, which Vicentelo had purchased. His oldest son, Juan Antonio Frate Vicentelo, would become Cantillana's first count. Vicentelo's Spanish-language biographer, Enriqueta Vila Vilar, reports that Vicentelo gave a 240,000-ducat dowry to his daughter Bernardina when she married the count of Gelves in 1581. Vicentelo's possessions included several palatial houses, exquisite furniture, land, hoards of gold and silver, ships, and merchandise. His will is extant and runs more than forty pages. He declared an immense estate of 1.6 million ducats, passed on to his wife and children. The creation of this vast family fortune by Vicentelo had a surprising legacy. A family descendant, Don Miguel Manara Vicentelo de Leca (1627-1679), was one of the prototypes for the legend of Don Juan, the famous aristocratic lover from Seville.

Legacy

The great Spanish empire of the sixteenth century depended on foreign expertise from wealthy bankers from Genoa and fearless traders from Corsica for much of its administration. Juan Antonio Corzo Vicentelo was the richest of these merchants, building a vast trading empire, including traffic in slaves. His family wealth and notoriety passed on to his descendants, such as Don Miguel Manara, who had a role in creating one of the great legends of Europe, that of Don Juan. This story of the fabulously wealthy seducer of women was made famous in a play by Molière, in a poem by Lord Byron, and in the incomparably great opera *Don Giovanni* by Wolfgang Amadeus Mozart.

—*Howard Bromberg*

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See also: Nuno Álvares Pereira; Diego Hurtado de Mendoza; Seventh Duke of Medina Sidonia.

Virji Vora

Mughal merchant and banker

Accumulating a business empire and an enormity of wealth that dazzled even European traders, Virji Vora, "the Merchant Prince of Surat," was the leading merchant and banker of seventeenth century Mughal India.

Born: c. 1594; Surat, India
Died: c. 1670; Surat, India
Also known as: Virji Vora Kendrua; Baharji Bohra; the Merchant Prince of Surat
Sources of wealth: Trade; banking
Bequeathal of wealth: Children

Early Life

Virji Vora (VIHR-jee VOH-rah) Kendrua was born into a Jain family in Surat, India, a chief trading port of the wealthy Mughal Empire. He was apparently a member of the Sthanakvasi sect of Jainism and became a leader of that sect as an adult.

First Ventures

History first records the activities of Virji Vora on August 25, 1619, when he engaged in commercial transactions with English merchants in Surat. He already owned a fleet of trading ships. The Dutch, French, and British East India Companies established bases in Surat as a gateway to the rich East Indies trade. Their traders described Virji Vora as a skilled and aggressive businessman. They also considered him to be the richest merchant in the world. In 1663, his wealth was estimated at 8 million silver rupees, the equivalent of hundreds of millions of dollars in 2010.

Mature Wealth

Surat was perfectly situated to profit from the Indian Ocean maritime trade. The city's Swally harbor was visited by ships from all over the world; its Tapti River provided inland access. Surat was also the headquarters for English traders from 1608 to 1687. From his base in Surat, Virji Vora dealt in all manner of commodities, for both import and export. He bought and sold vast quantities of opium, cotton, spices, coral, pepper, quicksilver, tea, turmeric, cloves, ivory, lead, silver, gold, pearls, and gems. He had branches and representatives in trading routes throughout the Mughal Empire in cities such as Āgra, Ahmedabad, Baroda, Broach, Burhanpur, and Golconda; in the trading bazaars of Arabia; and in the ports of Decca, Malabar, and Malay. Virji Vora also employed a cadre of traders, brokers, shippers, clerks, accountants, money changers, and minters.

Virji Vora's business activities are well recorded in the voluminous records of the Dutch East India Company. He often used European ships for trading. He bought commodities wholesale in Asia for supply to Europe and purchased great quantities of finished goods from Europe. Virji Vora's business strategy was simple: He would establish a monopoly on a commodity, so that all traders had to buy it from him, at his price. In 1625, the English were compelled to buy 10,000 rupees worth of pepper from him because he alone in Surat had sufficient quantities. When additional pepper arrived in Surat, he outbid all traders and ensured his monopoly. When the English in frustration sent traders to Decca to buy the pepper directly, Virji Vora's agents were already there with instructions to outbid all buyers. The English finally conceded the pepper monopoly to him.

Virji Vora also dominated moneylending. The Europeans lacked ready access to capital in the Indian Ocean trade and were compelled to borrow from Virji Vora at rates they complained of being usurious, from 7 to 18 percent per year, with an additional 3 percent charged for money changing. He lent as much as 1 million rupees to the Dutch in 1642 and 4 million rupees to the English in 1669.

As a merchant prince, Virji Vora took responsibility for the Jain community. Like his legendary predecessor, Jagdu, a Jain merchant in the thirteenth century who assisted the needy, Virji Vora distributed grain in the famine of 1630-1632. He also donated to Jain monasteries and temples. Virji Vora was shrewd enough in dealing with Europeans traders and Mughal overlords, but he was prey to foreign raiders. In 1664, the Maratha general Śivājī plundered Surat, looting Virji Vora of six barrels of gold, coins, and precious gems. In 1670, Śivājī sacked Surat again. Perhaps related to this catastrophe, Virji Vora either died or retired to a Jain monastery around 1670.

Legacy

Virji Vora, "the Merchant Prince of Surat," dominated commodities trading and moneylending in the Mughal Empire in the first half of the seventeenth century. Even European traders were compelled to meet his terms because of his monopoly on goods and capital. His vast wealth from trade symbolizes the splendor, prestige, and stability of the Mughal commercial empire; his despoiling in 1664 and 1670 demonstrates the decline of Mughal military strength.

—*Howard Bromberg*

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See also: Aurangzeb; Fateh Chand; Abdul Ghafur; Shah Jahan; Shantidas Zaveri.

Madam C. J. Walker

American cosmetics magnate

Walker rose from washerwoman to wealthy entrepreneur by manufacturing and marketing hair care products for African American women. She was widely recognized as the first black woman millionaire, although her wealth never reached that level.

Born: December 23, 1867; Delta, Louisiana
Died: May 25, 1919; Irvington-on-Hudson, New York
Also known as: Sarah Breedlove (birth name); Madam Charles Joseph Walker
Sources of wealth: Manufacturing; sale of products; real estate
Bequeathal of wealth: Children; charity

Early Life

Sarah Breedlove, who would later be known as Madam C. J. Walker, was born near the banks of the Mississippi River in Louisiana, the fifth child of recently emancipated sharecroppers. Her impoverished childhood working in the cotton fields and playing in the bayous gave virtually no clue that she would become a wealthy entrepreneur. Left an orphan when she was seven, she moved with her sister to Vicksburg, Mississippi, and began onerous work as a washerwoman at age ten. Partly to escape abuse by her brother-in-law, she entered a common-law marriage with Moses McWilliams at age fourteen, becoming a mother at age seventeen and a widow two years later. She then moved to St. Louis, Missouri, continued laundry work, and married John Davis, a decision she soon regretted because of his drinking, womanizing, and lack of financial support.

Madam C. J. Walker. (Michael Ochs Archives/Getty Images)

Despite these bleak prospects and only three months of formal education, Breedlove began to nurture higher aspirations, encouraged partly by the friendships she cultivated at the St. Paul African Methodist Episcopal Church. In 1903 she became one of the earliest sales agents of Annie Pope-Turnbo, later Annie Malone, whose new company sold treatments designed to reverse hair loss and other scalp problems.

First Ventures

In 1905, Breedlove moved to Denver, Colorado, where she worked as a cook in a boardinghouse for $30 a month and made extra money as a sales agent for Malone. In her spare time she mixed tubfuls of hair restorer, experimenting with new formulas. Although not officially divorced, she married for a third time, wedding Charles Joseph Walker, an advertising agent and business promoter.

At about this time she decided to go into business selling Madam C. J. Walker's Wonderful Hair Grower, initially marketing it door-to-door in Denver's African American neighborhood. The hair restorer was made of a petroleum jelly base, beeswax, copper sulfate, precipitated sulfur, and perfumes, all of which were readily available on the market. Walker advertised that the product had cured her own hair loss problem and told the story that the formula came to her in a dream. Hair loss was a common problem at the time, the result of a range of causes, including poor nutrition; infrequent shampooing, which led to clogged pores; inhibited circulation in the scalp; and dead hair follicles. Walker's formula was similar to many other products on the market, including Malone's, and her product's name was copied from Malone, who subsequently rebranded her product as Poro. Malone and Walker became bitter rivals but both prospered.

Walker developed a very successful business plan as she went on the road, first in Colorado and then throughout the segregated South, to sell her products. After contacting the local Baptist and African Methodist Episcopal churches, she arrived in a new town or city, took lodging in the area's best black boardinghouse, introduced herself to local African American fraternal lodges, and arranged for free demonstrations of her hair care lessons and products at the local church or lodge. She held classes on her methods, which included the use of a light oil and a heated wide-tooth steel comb for pressing hair. She also enrolled and trained agents and took orders for her products before moving on to the next town. Initially, she enrolled family members, including her daughter and sister-in-law, to take mail orders and prepare the hair restorer. Earnings in 1906 were a little more than $1,000, but they rose to $3,700 in 1907 and $6,700 in 1908.

Walker began extensive advertising, which included her uplifting philosophy and pictures of her before and after she used her products. She developed a loyal corps of agents, many of whom were recruited when she began to make appearances at national gatherings of African American organizations, such as the National Negro Business League and the National Association of Colored Women. Soon she became a celebrity, and women clamored to take her courses and buy her scalp treatment, which sold for 50 cents per tin at a time when many black women earned little more than this amount each day. She had developed an effective method of tapping a huge latent demand and identifying herself and her products with the aspirations of a consumer base that exceeded three million black women of all ages.

As demand began to overwhelm her unsophisticated production methods, she decided to relocate production to Indianapolis, Indiana, in 1910. She also incorporated and hired a talented young black attorney, Freeman Briley Ransom, to oversee day-to-day business and systematize operations. In Indianapolis she built an office and factory and began to emerge as a community leader, philanthropist, and socialite. Among her community activities, she hosted Booker T. Washington during his 1913 visit to Indianapolis. She cultivated an image of grace and success, hiring a chauffer and a diction tutor. Testimonials for Walker's products continued to pour in and sales grew exponentially, as did her sales staff, with ten thousand agents generating annual sales of more than $100,000 ($2.2 million in 2010 dollars) by the end of 1915. Surging black migration to the urban North helped boost demand, but rivals began selling knock-offs, often adulterated versions of her products.

Villa Lewaro

Although Madam C. J. Walker lived in the Villa Lewaro mansion for less than a year, its construction and elegance did much to cement her reputation as the wealthiest black woman in the world. The estate, located at 67 North Broadway in Irvington-on-Hudson, New York, is about twenty miles north of midtown Manhattan, in upscale Westchester County, not far from homes of the Rockefellers, Morgans, Vanderbilts, and Astors. Renowned opera tenor Enrico Caruso, a family friend, coined its name as an acronym for Lelia Walker Robinson, the name of Madam Walker's married daughter.

Upon its completion, *The New York Times* declared that Villa Lewaro exhibited a "degree of elegance and extravagance that a princess might envy." The *New York Herald* praised it as "one of the showplaces of the entire Hudson east shore." Its cost has been estimated at $250,000 (almost $4 million in 2010 currency). The thirty-four-room Italianate villa, designed by African American architect Vertner Woodson Tandy, featured a vermilion Spanish tile roof and white stucco facade with a view across the Hudson River to the New Jersey Palisades. The master bedroom was decorated with a twelve-piece Louis XVI chamber suite of ivory-enameled mahogany and a handwoven Aubusson carpet. Handcrafted tapestries lined the walls of the main hall, an impressive organ accentuated the music room, and the library was well stocked. Artwork included a mural of sea sprites, mermaids, and demons on the dining room ceiling and sculptor Auguste Rodin's *La Vieille Courtisane*.

To many people the villa represented an object lesson on the capacities of accomplishment for a race mired in poverty, although others, including African Americans, begrudged Walker's excessive extravagance and self-aggrandizement. Under the terms of Walker's will, upon Lelia's death the villa was to be turned over to the National Association for the Advancement of Colored People (NAACP) or a similar organization judged by the trustees to be "doing the most for Racial uplift." However, with the onset of the Great Depression, the trustees were forced to auction off the mansion's contents late in 1930. Faced with high taxes and maintenance costs, the NAACP sold the building to the Companions of the Forest, a women's benevolent organization, in 1932. By the twenty-first century the estate was a private residence.

Mature Wealth

In 1914, the National Negro Business League approved a resolution recognizing Walker as "the foremost business woman of our race." Her marriage to C. J. Walker ended in divorce after she apparently caught him with another woman. Drawn by her daughter, Lelia (also known as A'Lelia), who was becoming the most celebrated hostess in Harlem, Madame Walker moved to New York City in 1916.

Business continued to grow, and she maintained an often grueling schedule of travel to market her growing line, which expanded to include facial products. Some sales agents reported earnings that doubled or tripled their previous pay, and her representatives were spurred on by prizes and bonus incentives. However, the Madam C. J. Walker Company had become much more than a moneymaking enterprise, with a mission of uplift through beauty and social outreach. In 1916, Walker organized the first Madam C. J. Walker Benevolent Association as a charitable, social, and self-help organization for the company's sales representatives, who held their first national convention in Philadelphia in 1917. Although there was almost a missionary zeal among Walker agents, labor relations were not entirely smooth. At one point, agents petitioned to protest the company's decision to sell some of its products at retail outlets.

In 1917, Walker hosted the inaugural meeting and was elected president of the National Negro Cosmetics Manufacturers Association, an industry trade group organized to protect members from the competition of white-owned businesses that were expanding into the African American market. In addition, she became increasingly involved in politics, becoming vice-president-at-large of the National Equal Rights League, as well as a leader of antilynching protests. She also engaged in numerous charity efforts through organizations like the Circle for Negro War Relief. However, near the end of World War I she was placed on the Military Intelligence Division's "Negro subversives" list because of her associations with and support of known radicals, including William Monroe Trotter, an African American political activist.

Walker's "dream of dreams" was fulfilled in June, 1918, when she moved into a sumptuous estate, Villa Lewaro, in Irvington-on-Hudson, a wealthy suburb of New York City. In early 1919, the villa hosted the International League of Darker Peoples. This group hoped to influence postwar American foreign policy, but the U.S. government denied Walker permission to travel to France.

Legacy

Although her business continued to thrive, by late 1916 Walker began to suffer from exhaustion and poor health because of nephritis, prompting stays at the Battle Creek Sanitarium. When she died in 1919, the news was reported around the world. Although her estate's value had climbed to about $600,000 (more than $7 million in 2010 dollars), she was erroneously hailed as the first black woman to become a millionaire.

Sales of the Walker Company's products peaked to almost $600,000 (almost $7 million in 2010 dollars) the year after her death. Despite having trained about forty thousand agents, the company's fortunes waned, probably due to relentless competition and the loss of the connection of agents and customers to her charismatic presence and inspiring example. The Great Depression hit Walker's interests very hard, and the Walker Company's sales collapsed. Lelia, whose fortune dwindled, died of a brain hemorrhage in 1931, and Villa Lewaro was sold by the estate's trustees in 1932. The company stayed in business until 1986, but as its importance diminished, Walker's chief legacy was her personal example of the entrepreneurial abilities of African Americans, particularly the ability of a black woman to achieve celebrity and financial success by serving the needs of other black women.

—Robert Whaples

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See also: Elizabeth Arden; John H. Johnson; Anita Roddick; Helena Rubinstein; Jay Van Andel.

Walter de Merton

English clergyman and royal administrator

Walter de Merton was a gifted cleric in high-medieval England. His talents commended him to Church leaders and King Henry III, all of whom rewarded his service with gifts in the form of income from land (benefices) and Church parishes throughout England. His use of his wealth to found a college at Oxford University was unique in his time.

Born: c. 1200-1205; probably Surrey, England
Died: October 27, 1277; Rochester, England
Also known as: Bishop of Rochester
Sources of wealth: Inheritance; real estate; church
Bequeathal of wealth: Relatives; friends; educational institution

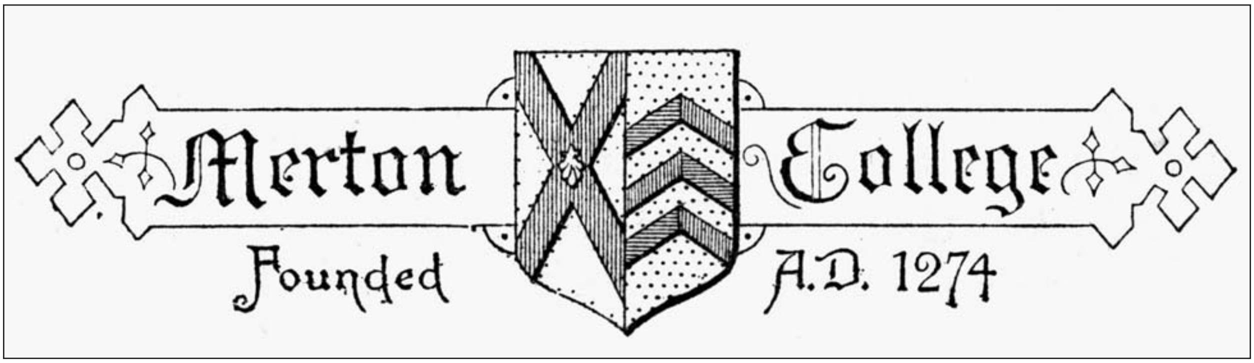
Early Life

Walter de Merton was born to a woman named Christina Fitz-Oliver (or Fitzace) and her husband, a man unknown except for his first name, William. Walter became heir to his mother's lands in Basingstoke, and since his parents were buried in the parish church there before 1237, it is likely that he and his seven sisters grew up nearby. Walter's chosen surname, de Merton, may indicate that he underwent primary education at the Augustinian priory of St. Mary of Merton. He attended Oxford University, where tradition suggests he was a resident of Mauger College (later the Cross Inn).

First Ventures

Armed with what he had learned at Merton Priory and at Oxford, Walter appears first as an agent and attorney for the Merton Priory around 1230. In 1233, he was awarded the income of the priory's benefice of Cuddington. Some years before, the priory had been given rights to the landlord's share of income produced in the village or villages of Cuddington, either in a will or as a gift inter vivos (while the giver was alive). In return, the Augustinian friars would pray for the souls of the gift givers and perhaps provide other services for their patrons. Such funds might be used to support priory employees, such as Walter, or students in the form of scholarships.

Adam de Marisco (or Adam Marsh), a Franciscan cleric and probably one of Walter's teachers, recommended Walter to Bishop Robert Grosseteste for ordination as subdeacon sometime after June, 1235. Walter's income as subdeacon would have depended upon his position and employer. In 1237, he is identified merely as "clerk" (cleric) in a document. At some point before



The Merton College coat of arms. (The Granger Collection, New York)

Merton College, Oxford

Merton College is considered one of the oldest of Oxford University's colleges. Founded by Walter de Merton in 1264, Merton College was the first college in England to place its operation in the hands of the members of the college itself.

The earliest students to attend Oxford University found lodgings where they could in inns and with private families. Between the 1220's and 1260's, various religious orders, especially the Franciscans and Dominicans, established convents at Oxford and Cambridge Universities in which young members of their orders could live and study together. University College, the oldest college at Oxford University, was founded around 1250 by Archdeacon William of Durham, whom Walter probably knew. William left an endowment in the hands of university authorities for the purchase of houses and the provision of student loans.

Merton College provided a new and very important model for subsequent colleges, at both Oxford and Cambridge Universities. Walter provided both real estate in Oxford, on which to erect college buildings, and rural properties scattered throughout central England, the income from which would support Merton College and its scholars. In his will, he added 1,000 marks for the purchase of property. Walter stipulated that his own family members should be given priority as college residents, but by 1300 there were thirty young men in residence as fellows.

As universities developed in Europe during the thirteenth century, they adopted many of the features of the long-established monasteries, including their general physical layouts and communal prayer and meals. At Merton's heart has been the Chapel of St. Mary and St. John, originally the dilapidated parish church of St. John, where the choir dates from the late 1280's. The Hall, which served as Merton College's lecture room, meeting place, and dining hall (refectory), was erected in the late thirteenth century, as was the Treasury, in which the college's funds and gifts were stored. Residential quarters were probably quite modest initially, and the houses that wrap around the four main quadrangles, each mimicking a monastery's cloister, date from the seventeenth century and later. The original library, built in the 1370's, continues to stand in the twenty-first century. Here books were chained to tables to prevent them from disappearing, and the practice of storing volumes on their edges along shelves, instead of laying them flat, was introduced.

Over the centuries, Merton College has boasted many famous fellows, including John Wyclif (c. 1328-1384), who produced an unauthorized version of the Bible in English and established the pre-Reformation sect known as the Lollards; Sir Thomas Bodley (1545-1613), who founded the Bodleian Library as Oxford University's central book collection; William Harvey (1578-1657), who discovered the circulation of the human bloodstream; T. S. Eliot (1888-1965), one of the greatest English poets of the twentieth century; Anglo-Saxon scholar and fantasy author J. R. R. Tolkein (1892-1973); literary critic Northrup Frye (1912-1991); and musician and actor Kris Kristofferson (b. 1936). In the early twenty-first century, Merton's scholars have academically outperformed students of every other college, and in 2006 the college had an endowment of £172 million.

1238, therefore,Walter entered royal service as a cleric, a combination of secretary, administrator, and legal counselor. In 1242, Walter entered the service of the bishop-palatine of Durham.

Although his wealth was hardly great, between 1240 and 1245 Walter established a hospital (almshouse) in Basingstoke in honor of his dead parents. Such institutions were quite common, serving the physical and spiritual needs of the poor, handicapped, aged, or injured. Residents would live in relative comfort and have daily opportunities to pray for the souls of the founders, supporters, and their families. In 1253 and again in 1262, when Walter was serving as King Henry III's chancellor, the king provided royal grants of landed income for support of the hospital. In 1262, Walter transferred formal patronage of the hospital to Henry as a way of protecting it from Walter's political enemies.

Mature Wealth

Despite his having founded a university college, there is relatively little known about the details of Walter's career and his accumulation of income, although he appears in a number of Church and royal documents. By 1249, he held lands in or near Malden, Surrey, and had received the benefice of Sedgefield, Durham, from the bishop, Nicholas Farnham. Records show that Walter also received incomes from properties scattered across England. He received Staindrop, Durham, and Haltwistle, Northumberland, from Farnham or his successor; Walter also came to hold Benningbrough, Yorkshire; Branston, Lincoln; Bratton, Wiltshire; Codington, Surrey; and Potton, Bedfordshire. Other benefices fell to him in the mid-1260's.

Walter appears sporadically in Church records during the 1250's. In 1256, he was part of a legal team defending the proprietary rights of Walter of Kirkham, the bishop of Durham. Like other clerics of the day, Walter benefited most from appointments to official Church positions that did not require his presence or attention, but which provided an income. For a period before 1262, he was a canon of Wells Cathedral and held the prebendary—a lower form of canon—of Yatesbury at Salisbury Cathedral. In June, 1259, he was presented with the prebend of Kentish Town at St. Paul's Cathedral in London, and a month later he became prebendary of Exeter.

In addition to earning his ecclesiastical incomes, Walter served the king at his chancery, an office that handled record keeping and both foreign and domestic royal diplomacy. He rose to the position of protonotary, just below that of chancellor. From July, 1262, to July, 1263, Walter held the chancellor's position, in which he served as King Henry III's right-hand man. In October, 1262, Henry provided Walter with 400 marks for chancery expenses and his own income; Henry's take was not recorded. When Henry's enemies among the English aristocracy gained the upper hand, Walter was replaced as chancellor and his prebendal properties of Chessington, Cuddington, and Malden near London were sacked in 1263.

Little is known of Walter's life in the 1260's, though he appears in one document as a justiciar, or a political and judicial officer of the king. Henry died in late 1272 and Walter was named chancellor again by both the royal council and Parliament. He held this position during the underage King Edward I's time in France, resigning in August, 1274. In preparation for the new regime, Walter had been elected the bishop of Rochester in late July, replacing Lawrence of St. Martin, who had died in June; Walter was installed as bishop in October, 1274. Like his other church posts, his position as the bishop of Rochester was a gift for services well rendered. He served his diocese and the college he founded for the three years that preceded his accidental death in 1277. The few notices that remain from his service as bishop indicate that Walter was intelligent, hardworking, and open-handed with religious houses, but that he paid more attention to his college than to the concerns of his cathedral and its personnel.

Merton College, Oxford University, c. 1885. Walter de Merton founded the college in 1264. (The Granger Collection, New York)

Legacy

By all accounts, Walter de Merton is most significant for his foundation of Merton College at Oxford University. Its origins date to 1262, when Walter arranged to have his income from Chessington and Farleigh and part of the income from Malden transferred to Merton Priory. The Augustinans would hold the funds in trust and use them to educate a group of young men at Oxford University.

Two years later, Walter named eight of his nephews as the first students and completely revamped the arrangements. He established a collegial convent at Malden named the "house of the scholars of Merton," which was to be administered by two priests and to provide a formal education for twenty students. Income from Malden and Farleigh manors provided the students' stipends, which were disbursed by a warden, the first of whom had been master of Basingstoke Hospital. Walter's relatives were given priority to attend the college, with secondary priority given to young clerics from the Winchester diocese. The bishop of Winchester was to serve as protector of the college.

The statutes of 1264 regulate the disbursal of aid, collection of incomes, auditing of the warden's activities by senior students, and operation of the Malden house. In 1270, after adding more income to the endowment and purchasing nearly an acre of Oxford property around the church of St. John, Walter issued new statutes, expanding the duties of the house in Malden and the number of scholars. The Oxford properties became the core of the physical college, and its administration was moved from Malden to Oxford in 1274. At this point, the college was constituted as a self-governing corporation, the earliest of its kind at Oxford or Cambridge University.

—*Joseph P. Byrne*

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See also: John Colet.

Alice Walton

American stockbroker and heiress

The only daughter of retail magnate Sam Walton, Alice Walton founded her own investment firm, as well as other businesses. Her earnings and her share of the Walton family wealth have made her one of the richest women in the world.

Born: October 7, 1949; Newport, Arkansas
Also known as: Alice Louise Walton
Sources of wealth: Inheritance; financial services
Bequeathal of wealth: Charity; museum

Early Life

Alice Louise Walton was born in 1949 in Newport, Arkansas, to Sam Walton and Helen Walton, the founders of the Wal-Mart chain of retail stores. The youngest of the Waltons' four children and their only daughter, she was given her mother's middle name. Walton was an extremely active child, and accidents of various kinds plagued her throughout her life, the first being a broken ankle at the age of four incurred as she was learning to ride horses. As a teenager, she worked as a popcorn vender in one of her parents' first stores, but like her brothers she rejected the family business for a time in early adulthood. As Sam Walton's definitive biographer, Vance Trimble, bluntly writes, "Sam was told, in effect, to take Wal-Mart and shove it." However, after attending Trinity University in San Antonio, Texas, and receiving a B.S. degree in economics and finance, Walton had a change of heart and agreed to take a job with Wal-Mart.

First Ventures

Walton's first position at her family's business headquarters in Bentonville, Arkansas, was that of buyer, but she quickly came to realize that this work was not fulfilling. A family friend and director of Wal-Mart, James Jones, was also president of the National Bank of Commerce in New Orleans, Louisiana, and he offered Walton a job there in 1972. She worked first in the loan department at Jones's bank and then in investment research while pursuing studies for a M.B.A. at Tulane University. While living and working in New Orleans, she met and married another banker in the investment field, Laurence Eustis III, in August, 1974. The marriage lasted only three years, after which Walton married New Orleans contractor Hall Morehead, but that union was also short-lived. By the end of the 1970's, Walton was working for her father again, overseeing investments at his bank in Rogers, Arkansas.

Mature Wealth

While living in New Orleans, Walton became an account executive for E. F. Hutton, one of the first women to serve in this position at the prestigious brokerage firm. She worked tirelessly to promote women in business, conducting seminars for female investors. She perhaps would have begun a business of her own at this time had she not had one of her recurrent accidents in 1983. During a combination Thanksgiving celebration and business meeting of the Walton family in Acapulco, Mexico, Walton was driving a Jeep in the mountains when the vehicle plunged off a cliff, and she suffered a broken leg. Complications set in when a bone in the leg developed a persistent infection. Walton spent much of the mid-1980's recuperating from the accident, which ultimately involved almost two dozen operations on the affected leg. Another accident befell Walton in 1989, when she was driving and accidentally struck and killed a woman who was crossing a road in Springdale, Arkansas.

However, in 1988, Walton was finally able to establish her own firm, which handles portfolios of securities for wealthy individuals, as well as for banks in Arkansas and neighboring states. The business, Llama Co., took its name from Walton's pet llama, LeRoy. In an interview in *Forbes* magazine, Walton explained that she chose the name because llamas are "intelligent, unique animals with almost 360-degree vision. I like those qualities as they relate to what I'm trying to do in the investment business." Like Wal-Mart, Llama Co. is a family affair. Although Walton is president and chief executive officer, her surviving brothers and other relations maintain an almost two-thirds interest in the firm.

Although Walton's company has been successful from its origin, much of her wealth is inherited. Although the public and many within the business world did not realize it until well into the 1980's, the Walton offspring had been shareholders since they were children. Walton was barely five years old in 1954 when her parents set up a trust providing her with one-fifth of all their landholdings and their stock in the Wal-Mart corporation. In 1989, Alice ranked twenty-fourth in *Forbes* magazine's list of the four hundred wealthiest people, with her assets listed as close to $2 billion. In 2010, the magazine estimated that her net worth had climbed to $20.6 billion and ranked her the sixteenth-richest individual in the world.

Like her parents, Walton has used her immense wealth to fund and support numerous causes and endeavors. She was a primary contributor of funds to build the Northwest Arkansas Regional Airport in the 1990's, and she donated almost $3 million to support various conservative political programs and candidates in the first decade of the twenty-first century. She has served on the boards of the graduate business school at the University of Arkansas in Fayetteville, the University of Arkansas for Medical Sciences in Little Rock, and her mother's Walton Family Foundation. In regard to the latter, Walton was the guiding force behind the establishment of the Crystal Bridges Museum of American Art in Bentonville, Arkansas. She has also served on the boards of other museums, including the Trustees' Council of the National Gallery of Art in Washington, D.C., and the Amon Carter Museum in Fort Worth, Texas. In addition, she has worked to bring children of contrasting social and economic levels together through Camp War Eagle, a Christian summer camp for young people located in Arkansas.

Legacy

As a member of the Walton clan, Alice Walton shares in her family's legacy of reshaping the type of places in which Americans shop and revising the very nature of retail merchandising in the United States, as well as many other countries. The family's legacy is apparent in the twenty-first century retail business, the size and shape of stores, and their business hours and prices. Although much of Walton's fortune came to her via inheritance, she has nevertheless been financially involved in her family's wealth since she was in elementary school,

The Crystal Bridges Museum of American Art

The Crystal Bridges Museum of American Art is the brainchild of Alice Walton, the youngest child and only daughter of Sam and Helen Walton, the founders of the massive Wal-Mart chain of retail stores. The museum's name reflects its setting—a bucolic collection of woods, gardens, and pools near the town center of Bentonville, Arkansas. The design of the museum by architect Moshe Safdie is somewhat reminiscent of the architecture of Frank Lloyd Wright, whose design for the Fallingwater residence in the Pennsylvania countryside was in part the inspiration for the architecture of the Walton family home in Bentonville. The cost of the museum's construction was predicted to be in excess of $50 million, and the site will eventually provide more than twenty thousand square feet of exhibition space.

In 2005, Alice Walton hired John Wilmerding, a noted expert on art history, to serve as an adviser for acquisitions, and in the summer of 2009, she appointed Don Bacigalupi, a graduate of the University of Texas school of art and former director of the Toledo Museum of Art, to be the museum's director. Walton envisions Crystal Bridges as a collection house for works by American artists in various media from colonial times to the present. By the end of 2009, she had spent more than $200 million on paintings in order to establish a core of artworks that will form the museum's permanent exhibits. Among the famous American painters whose works she has acquired are Thomas Eakins, Winslow Homer, John Singer Sargent, and Norman Rockwell.

Some of the paintings are famous in their own right, and they attracted publicity when they were acquired for Crystal Bridges. Two of these works were Charles Willson Peale's painting depicting George Washington in battle uniform and the even more iconic portrait of Washington by Gilbert Stuart. A similar painting that attracted public attention was Asher B. Durand's *Kindred Spirits*. A hallmark of American landscape painting in the Romantic tradition, this painting depicts the Transcendentalist poet William Cullen Bryant meeting his friend, the painter Thomas Cole, on the edge of an escarpment overlooking a valley in the Catskill Mountains. This classic American work of art had come into the possession of Julia Bryant, the poet's daughter, who donated it to the New York Public Library. When the library put it up for auction at Sotheby's in the spring of 2005, Walton obtained it by secret bid that was rumored to be more than $350 million.

Diverse modern works have also been commissioned for Crystal Bridges, including a bronze sculpture of a bicycle suspended in a tree by Arkansas artist George Dombek, a work based on a well-received watercolor by Dombek. Perhaps the most striking and innovative work commissioned thus far is Pat Musick's *A Place Where They Cried*, a line of stone monoliths stretching sixty-five feet, which commemorates the sufferings of Native Americans on their forced march from the southeastern states to Oklahoma, the notorious "Trail of Tears" of the late 1830's. Both Dombek and Musick's massive works will be featured in the parks and pathways on the museum grounds.

In October, 2010, Crystal Bridges had not opened to the public. Museum officials said they were continuing to "evaluate the project's design and construction plans as well as the time line needed to complete those plans" in order to get a "clearer picture of a projected opening in the coming months."

when her parents divided their assets in order to share them with their four children. She regularly appeared in listings of the world's richest people as either the first- or second-wealthiest woman in the world and somewhere in the top twenty-five of the richest individuals of either gender.

Like her mother Helen Walton, Alice has built her own legacy through contributions to charitable and civic causes. Her efforts on behalf of the Northwest Arkansas Regional Airport, for example, inspired its board of directors to name the terminal after her and ultimately resulted in her being included in the Arkansas Aviation Hall of Fame. Her contributions to business education inspired the University of Arkansas to set up the Alice L. Walton Chair in Finance in her honor in 1996. Her most significant accomplishment, however, is likely to remain the establishment of the Crystal Bridges Museum of American Art.

—*Thomas Du Bose*

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See also: Isabella Stewart Gardner; J. Paul Getty; Peggy Guggenheim; Solomon R. Guggenheim; Armand Hammer; Abby Aldrich Rockefeller; Helen Walton; Sam Walton.

Helen Walton

American retail magnate and philanthropist

Walton worked closely with her husband, Sam Walton, and with her brother-in-law, James "Bud" Walton, to establish and promote Wal-Mart, the most successful chain of retail stores in business history, in the process becoming one of the wealthiest women in the world.

Born: December 3, 1919; Claremore, Oklahoma
Died: April 19, 2007; Bentonville, Arkansas
Also known as: Helen Alice Robson (birth name)
Sources of wealth: Retailing; marriage
Bequeathal of wealth: Children; charity; educational institution

Early Life

Helen Alice Robson Walton was born in 1919 in Claremore, Oklahoma, to Leland Stanford Robson and Hazel Corrine Carr Robson. Her father, usually called L. S., originally came from Georgia. Successful as a lawyer in Claremore, he also owned large tracts of ranch land and became involved in banking, eventually becoming president of the Rogers County Bank in Claremore. L. S. Robson insisted that his children learn to handle money, opening up bank accounts for them in their early teens so they could gain a sense of fiscal responsibility.

Helen Robson was a student at what is now Columbia College in Columbia, Oklahoma, and in her junior and senior years she attended the University of Oklahoma at Norman, receiving a bachelor's degree in economics in the spring of 1941. Returning home, she worked as an accountant for her father, overseeing the finances of his ranch. Sam Walton, waiting to be called up for duty in World War II, moved to Pryor, a town near Claremore, to work in a du Pont company plant manufacturing gunpowder for the military. In April, 1942, Walton and Robson met in a bowling alley in Claremore in an encounter that could have come from the "screwball comedies" popular in films of the time. Walton asked Robson, "Don't I know you?" to which she replied, "You do now." They were married on Valentine's Day the following year. They eventually had four children: Robson (born 1944), John (1946-2005), James (1948), and Alice (1949).

First Ventures

Sam Walton developed many of his business techniques while training in a J. C. Penney store in Des Moines, Iowa, in the early 1940's. His first real success was as a manager at a Ben Franklin store in Newport, Arkansas, but he soon lost his lease there. This setback inspired Walton to envision his own chain. He first experimented by managing two more Ben Franklin stores, where he employed business practices that would later be typical of his Wal-Mart chain. These stores, called Walton's Five and Tens, were successes. By all accounts, Walton always consulted his wife and respected her opinions during these transactions. However, as he moved to open his first official Wal-Mart in the early 1960's, Helen Walton played an integral role. It was her sizable trust fund and the equity she had in her family's vast landholdings that persuaded a bank officer to give them a $350,000 loan. Both Sam and Helen signed the loan papers.

Helen Walton, center, at a meeting of the Wal-Mart shareholders. (AP/Wide World Photos)

Mature Wealth

This loan allowed the Waltons to open the first Wal-Mart, called the Wal-Mart Discount Store, in Rogers, Arkansas, in July, 1962. The store's success spurred Sam to begin assembling a chain as quickly as possible, and by 1967, there were twenty Wal-Mart stores. On October 31, 1969, the chain was incorporated, and the following year it began to sell its stock over the counter, listing itself on the New York Stock Exchange for the first time in 1971. By this time, the chain had grown to include more than forty sites. Throughout the 1980's, more than three hundred Wal-Marts were racking up sales of approximately $1 billion annually.

Toward the end of the 1980's, the Waltons began to experiment with the concept of the "hypermarket," a huge store that brought together under one roof the goods and services once offered by the many and varied types of shops that lined the streets in the downtown areas of American towns and cities. The first such "mega-store," called a Wal-Mart Supercenter, was opened in Missouri in 1988. This "super Wal-Mart" proved so popular that it soon came to replace the original, prototypal Wal-Mart stores across the United States. By 2010, the Wal-Mart chain consisted of some eight thousand outlets not only in the Unites States, Canada, and Mexico, but also in countries such as China and the United Kingdom. This enormous chain earned almost $400 billion annually.

Although Helen Walton was a source of much support and counsel for her husband during the growth of the Wal-Mart franchise, and although the integral early bank loan might not have gone through had it not been for her own financial assets, she was not always in favor of the seemingly unending expansion that Sam Walton undertook. Although she shared his customer-conscious, common-sense approach to business, at times she seemed reluctant to join wholeheartedly in her husband's enthusiasm for adding more stores to the already fast-growing chain. She was also purported to have had doubts about her husband's decision to take Wal-Mart's stock public. Some of her qualms about the growth of the franchise no doubt lay in its inevitable impact on her family's life; her husband spent an increasing amount of time away from home scouting out new sites and coordinating activities between numerous stores. Many of Helen's activities in the early years of the family business were typical of American women of her generation; she reared the children for an often-preoccupied husband and father and socialized with the wives of Wal-Mart executives, who in the early days were almost always male. An important feature of the Wal-Mart empire that has been attributed to Helen is the location of its headquarters in Bentonville, Arkansas. Allegedly, she insisted on settling the family in a small town instead of a larger city, such as Oklahoma City or Little Rock.

While Helen's familial and educational background in economics and business enabled her to participate in the Wal-Mart Corporation, her most important role was using the chain's vast wealth for charitable causes. Her philanthropy was admirable and all but inexhaustible. Education was a primary concern of hers, and schools throughout Arkansas benefited from her largesse. For example, in the 1980's, she and her husband were instrumental in establishing scholarship programs for Central American students at several Arkansas colleges and universities. Under these programs, Helen oversaw the distribution of almost $4 million to needy students. Acting as president of the Walton Family Foundation, in 2002 she donated $300 million to the University of Arkansas and an additional $50 million to the School of Business there, which was later renamed the Sam M. Walton College of Business. She also supervised the funding of a number of projects at the University of the Ozarks; she donated $40 million via the Walton Family Foundation and helped finance the building of the Robson Library and the Walton Fine Arts Center. In addition, she donated $20 million of her private funds to the teacher training program at the University of the Ozarks. In her hometown of Bentonville, she organized and helped fund a program to provide computers for local schools, and she set up and oversaw the Walton Scholarship Program, which each year gives 150 children of Wal-Mart employees college scholarships of $10,000 each. She also worked to promote the arts on a state and national level and became the first woman to serve as a vice chairperson of the board of trustees of the Presbyterian Church Foundation.

The Walton Family Foundation

Founded in 1988 and drawing on assets of almost $1 billion, the Walton Family Foundation, Inc., is one of the most active nonprofit charitable organizations in the United States. When they introduced the new foundation, Sam and Helen Walton spoke of bringing to charitable activities the same sort of common-sense style and straightforward approach that had served them well in their business endeavors. Within five years of the foundation's inception, however, Sam Walton died, leaving Helen Walton to primarily oversee much of the organization's activities.

From the beginning, education was a principal beneficiary of foundation funding, with private schools being a particular concern. The foundation supports two similar organizations—the California Charter Schools Association and the Charter School Growth Fund—to promote and maintain charter schools in, respectively, the state of California and Washington, D.C. However, another education endeavor funded in part by the foundation, Teach for America, supports public schools in inner-city neighborhoods and rural regions by recruiting top-ranking university graduates to teach in such areas for two-year stints, similar to volunteers in the Peace Corps.

The foundation also concerns itself with economic and community improvement, the arts, and the environment. For example, in 2003 it became partners with the Delta Bridge Project to ameliorate living conditions in Phillips County, Arkansas, one of the poorest counties in the region. Funds from the foundation helped the Delta Bridge Project to energize the county's economy and improve health services for citizens. The foundation also supports the arts in Arkansas by funding the Crystal Bridges Museum of American Art in Bentonville and supporting the Walton Arts Center in northwest Arkansas. Crystal Bridges is a teaching museum, with artwork displayed both inside and on the grounds, staffed by guides trained to educate visiting students about the works on display. The Walton Arts Center presents not only exhibitions of painting and sculpture but also plays, concerts, and dance performances.

The primary environmental work supported by the foundation is Conservation International's Seascape Program. This program works to improve seaside communities both environmentally and financially by ensuring that fish populations are sustained, that people living in such regions are made safe from marine disasters, such as storms, and that tourism is a vital part of these areas' economies. The Seascape Program has done much work in Central America, Malaysia, Indonesia, and the Philippines and has had a positive impact on almost two million miles of coastline.

LEGACY

The retail chain empire that Sam and Helen Walton created changed shopping in the United States irrevocably. As a result of their success, the prototypal American store would never again be a small shop specializing in specific goods and services but would instead be a warehouse-like "hyper-mart," where shoppers in one visit could purchase groceries, appliances, medications, clothes, gardening supplies, books, jewelry, and much more. At least two of the hallmarks of the Wal-Mart tradition and legend have been attributed directly to Helen Walton: the maintenance of its headquarters in the small town of Bentonville and the positioning of employees as partners within the corporation. However, Helen Walton's greatest legacy lies in her distribution of large amounts of the immense Walton wealth to further education, the arts, the environment, and the overall quality of life in the United States and elsewhere.

—*Thomas Du Bose*

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See also: Frederik Meijer; Alice Walton; Sam Walton.

SAM WALTON

American retail magnate

Walton employed traditional American virtues of hard work and common sense to create Wal-Mart, the most successful chain of retail stores in the world, in the process becoming the wealthiest person in the United States for much of the 1980's.

Born: March 29, 1918; Kingfisher, Oklahoma
Died: April 5, 1992; Little Rock, Arkansas
Also known as: Samuel Moore Walton; Samuel M. Walton; King of the Discounters
Source of wealth: Retailing
Bequeathal of wealth: Spouse; children; relatives; charity

EARLY LIFE

Samuel Moore Walton was born in 1918 in Kingfisher, Oklahoma, to Thomas Gibson Walton and Nancy Lee Lawrence Walton. He grew up working on family farms in Oklahoma and Missouri. His younger brother, James, always called Bud, was born in 1921. Despite later public perceptions of Walton as a backwoodsman who made good by sheer luck and pluck, Walton actually came from a middle-class background, was an "A" student in high school, became an Eagle Scout at a very young age, graduated from the University of Missouri with a degree in economics, and served in U.S. Army Intelligence during World War II. On Valentine's Day of 1943, Walton married Helen Alice Robson of Claremont, Oklahoma. They remained married throughout Walton's lifetime and had three sons and a daughter: Robson (born 1944), John (1946), James (1948), and Alice (1949).

FIRST VENTURES

Walton trained in a store in the J. C. Penney chain in Des Moines, Iowa, in the early 1940's, and the operational principles of this chain later influenced Walton's own stores. In 1945, Walton took a job in Newport, Arkansas, as manager of a store in the Ben Franklin chain. However, he lost his lease when the store's owner demanded it back so it could be operated by his children. Frustrated, Walton determined to go into business for himself, experimenting with two stores in the Ben Franklin franchise tailored to his own tastes called Walton's Five and Tens, the first in Bentonville, Arkansas, which would become Walton's home and base of operations for the rest of his life, and the second in Fayetteville, Arkansas.

MATURE WEALTH

Walton opened the first Wal-Mart Discount Store in Rogers, Arkansas, on July 2, 1962. It was an overwhelming success, and Walton at once began to assemble a chain of stores, which grew to twenty outlets in five years. These were incorporated as Wal-Mart Stores, Inc., on Halloween, 1969. By 1970, when Wal-Mart first began trading its stock over the counter, the number of stores had almost doubled. In 1971, the company was listed for the first time on the New York Stock Exchange. The chain had increased to three hundred stores by the beginning of the 1980's, bringing in more than $1 billion in annual sales, with a net profit of more than $40 million. At the beginning of the 1990's, more than fifteen hundred Wal-Marts operated throughout the United States, garnering more than $25 billion in annual sales. By the end of the first decade of the twenty-first century, almost eight thousand Wal-Mart outlets operated both in the United States and in other countries, such as Mexico, Canada, China, and the United Kingdom, generating around $400 billion annually.

In the early 1980's, Walton initiated Sam's Club, a series of huge discount warehouses for merchants and others who bought in bulk. Customers paid annual membership fees in order to buy a great deal of merchandise for a small amount of money. The first Sam's store opened in Oklahoma City in the spring of 1983 and was a tremendous success, inspiring Walton to expand this new chain. In 1988, Walton oversaw the opening of a "hypermarket"—one large store that subsumed all the shops that had traditionally been found in downtown areas. This first Wal-Mart Supercenter, which featured groceries and a pharmacy, opened in Washington, Missouri, in the spring of 1988. This format proved so popular that within a decade it had replaced the original prototype as the dominant Wal-Mart model.

The astronomical wealth that Walton accrued was derived from a combination of old-fashioned traditional American values, an adherence to common-sense business practices, and a reliance on technology. Drawing on the near-biblical injunctions of training manuals from such chains as J. C. Penney, Walton insisted on the humane treatment of both employees and customers, making a point of being on a first-name basis with everyone from executives to stockroom workers, while calling employees "associates" and arranging for profit-sharing schemes to define them as quasi colleagues. He instituted a group of workers known as "greeters" whose sole duty was to stand near entryways and welcome shoppers enthusiastically. In addition to following the traditional discount practice of buying in bulk and selling cheap, Walton also had his stores stay open long hours for the customers' convenience and made certain that stores were always located near Wal-Mart warehouses in order for stocks to easily be replenished. In fact, he often chose the location of a warehouse first and then planned a constellation of stores around this epicenter. However, along with these old-fashioned, pragmatic approaches, Walton consistently used modern technology. In the 1960's, he taught himself to fly small planes in order to travel quickly from one store to another. Likewise, he began employing computer

Sam Walton built Wal-Mart, the world's largest retailer, and in the process became the richest man in the United States for much of the 1980's. (©Bettmann/CORBIS) connections in the 1960's to establish links with employees throughout his chain, and in the 1970's he began to pioneer teleconferencing via closed-circuit television for meetings with his executives across the nation.

Walton expended very little of his wealth on himself, living comfortably but modestly. Even at formal events, he often wore inexpensive clothes from his own stores. His one semiluxury was quail hunting with dogs. He once appalled a group of aristocratic Georgia business tycoons by bringing his beloved but scruffy hunting hounds to a British-style bird shoot. Purportedly, the Wal-Mart on Highway 281, south of the little towns of Premont and Falfurrias in south Texas, was situated there so that Walton could be near one of his workplaces when he hunted at his south Texas camp, Campo Chipote—a rare example, perhaps, of his letting personal pleasure dictate a business decision.

Throughout the 1980's, Walton used his wealth to support the Buy America program, credited with promoting American businesses over foreign companies and providing thousands of jobs; to establish the Arkansas Business Council in order to improve the state's economy and education; and to promote capitalism and democracy in Central America. He also bravely served as one of the first human test patients for the anticancer drug Interferon when he contracted hairy-cell leukemia in the 1970's. His recovery helped establish Interferon as a major weapon against cancer and acquired immunodeficiency syndrome (AIDS). Walton died of another form of cancer, myeloma, in 1992, the same year in which he received the Presidential Medal of Freedom.

The Sam M. Walton College of Business

The business school at the University of Arkansas had been a successful program for seven decades before the Walton name was attached to it. Initiated in 1926 with only a handful of professors and a few students, the school nevertheless offered a wide array of courses, including general business, marketing, economics, and banking. Four undergraduate degrees were awarded in 1927, and by 1930, a master's program had begun, followed by a doctoral degree program in 1950. The school offered programs involving the development of small businesses, a center to further the effective teaching of business-related subjects, a Center for Retailing Excellence, a center to award grants for economic research, and a number of other similar agencies.

It is no wonder, then, that the Walton Family Charitable Support Foundation, in 1998 made a donation to the University of Arkansas School of Business. The amount of the gift was nothing short of staggering: $50 million, the single largest sum ever donated to a business college in American history. In gratitude, the university administration changed the name of the school from the University of Arkansas School of Business to the Sam M. Walton College of Business Administration. However, perhaps because the name was too limited for the various programs the college housed and perhaps because the lengthy moniker proved unwieldy, the name was changed again in 2000 to the simpler Sam M. Walton College of Business. The patronage of the Walton foundation allowed the school to pursue innovative programs, including the application of information technology to the retail business, a subject which Sam Walton would have heartily approved.

By the early twenty-first century, the number of faculty in the college had increased to almost one hundred, and the number of students pursuing degrees totaled almost three thousand. Undergraduates could choose from among nine possible majors, including international business, accounting, and transportation and logistics. The Sam M. Walton College of Business regularly rated highly in *U.S. News and World Report*'s annual list of institutions of higher learning for business and finance, usually ranking in the top twenty-five for its undergraduate program and in the top fifty for graduate business schools.

Legacy

It would be difficult to overstate or exaggerate the effect that Sam Walton had on many facets of American life. His business practices forever changed the way that retail business was conducted in the United States. On a very elemental level, he and his chain stores assured that millions of working-class and middle-class Americans would have convenient access to inexpensive goods and commodities of practically every sort—groceries, clothes, appliances, drugs, and much more. He also changed the topography of small towns: No longer were shops of many sorts primarily clustered together along downtown streets or housed in suburban shopping centers or even in the malls that became popular in the 1970's. With his original stores, and especially with his "superstore" format, Walton basically changed the prototype of the American shopping venue to a vast, warehouse-like megastore, where anyone can quickly and cheaply buy just about anything under one large roof at any time of the day or night.

—Thomas Du Bose

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See also: Frederik Meijer; Alice Walton; Helen Walton.

JOHN WANAMAKER

American retail magnate

Wanamaker created the first modern department store. He was also a respected religious leader and philanthropist, donating thousands of dollars and several buildings to Young Men's Christian Association (YMCA) chapters worldwide and funding the campaign for a national Mother's Day.

Born: July 11, 1838; Philadelphia, Pennsylvania
Died: December 12, 1922; Philadelphia, Pennsylvania
Also known as: John Nelson Wanamaker
Source of wealth: Retailing
Bequeathal of wealth: Children; charity

EARLY LIFE

John Nelson Wanamaker (WAHN-ah-may-kehr), the oldest of seven children, was born on July 11, 1838, in Philadelphia. His father, Nelson, owned a small brickyard. Young Wanamaker helped turn bricks out of molds so they could dry in the family's backyard. He attended school for three years, starting at age nine. As a teenager, he worked in men's clothing stores, becoming a manager by age nineteen. He quit this job for health reasons and spent his savings traveling the country. In 1858, Wanamaker became the secretary of the Philadelphia Young Men's Christian Association (YMCA), earning $1,000 a year. Wanamaker married Mary Brown on September 27, 1860.

FIRST VENTURES

Wanamaker and his brother-in-law Nathan Brown each invested $2,000 to start Oak Hall, a men and boys' clothing store. Their store opened on April 8, 1861, just days before the start of the Civil War. The store was small, located on the first floor of a building at Sixth and Market Streets in Philadelphia. The first day the partners sold $24.67 worth of merchandise. However, business improved after the two men acquired a contract to manufacture military and customs uniforms. Wanamaker and Brown also advertised special sales, a rare practice at the time. Customers were curious to test the honesty and accuracy of these advertisements. In its first year, Oak Hall's total sales amounted to $24,125.62; by the end of the 1860's, annual sales had climbed to more than $2 million.

MATURE WEALTH

A year after Brown died, Wanamaker opened a second store in Philadelphia under the name John Wanamaker and Company. In 1875, he purchased an abandoned train depot for $505,000 and began renovating it in January, 1876, so it could open as a store in time for the nation's centennial celebration. Wanamaker focused his advertising for his Grand Depot store on out-of-town tourists. The two-acre store opened on May 6, 1876, four days before the centennial celebrations began.

In order to keep sales from falling, Wanamaker decided to create a new kind of store. In addition to men and boys' clothing, the store began selling women's merchandise. He made a more controversial addition to the store in early 1877, when he started to sell dry goods. Wanamaker eventually expanded his retail space to eight acres and installed an air-cooling system. By 1884, the Grand Depot was the largest retail store in America. The following year, the Grand Depot was generating more than $10 million in sales. Wanamaker sold his two smaller stores to his brothers, who had been managing them.

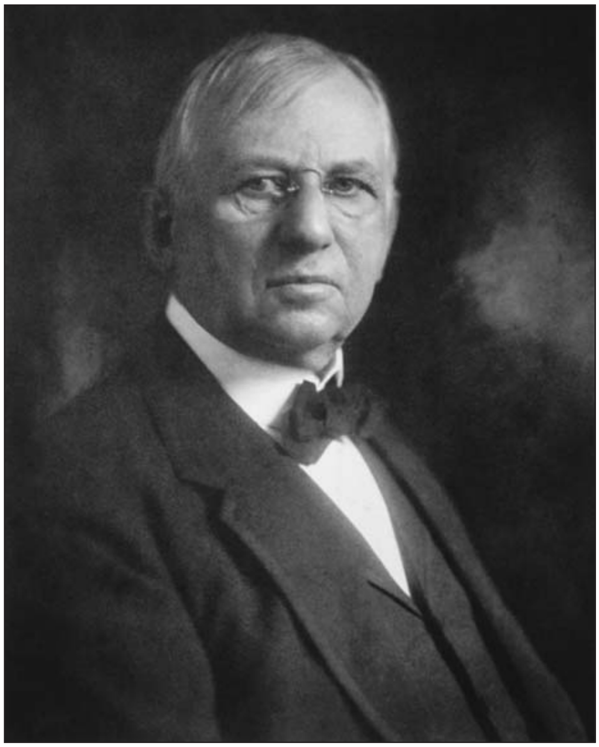
Wanamaker served in President Benjamin Harrison's cabinet as postmaster general beginning in 1889. In this position, he extended free mail delivery to all Americans, not just those living in cities. He also created the U.S. Postal Savings System.

Wanamaker opened a store in New York City in 1896. This venture paid off, allowing him to take a long European vacation within three years. In 1906, construction began on a sixteen-story addition across the street from the New York store, with an overhead walkway connecting the two sites. Wanamaker also opened stores in London and Paris. He died in 1922, leaving his estate, estimated at $100 million, to his three surviving children.

Legacy

One of the keys to John Wanamaker's success was his commitment to his customers. He used the innovative practice of attaching price tags to all of his merchandise, believing that all customers should pay the same price. Wanamaker guaranteed his merchandise in writing, upheld the promises in his stores' advertisements, gave cash refunds, and allowed customers to return items.

Wanamaker loved music and purchased a large pipe organ that was used at the 1904 World's Fair. He later had the organ installed in the Grand Depot, and immediately began enlarging it. Customers were treated to organ music every day for eighty years. The Grand Depot also was the site of public concerts featuring symphonies and organists from around the world. In the twenty-first century, the organ remained in the Wanamaker Building in Philadelphia.



John Wanamaker. (The Granger Collection, New York)

Wanamaker was also a philanthropist. When Anna Jarvis petitioned to make Mother's Day a national holiday. Wanamaker financed her campaign from 1908 to 1914. He also gave money to YMCA branches worldwide.

—*Jennifer L. Campbell*

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See also: Marshall Field; Julius Rosenwald; Alexander Turney Stewart; Nathan Straus; F. W. Woolworth.

GEORGE WASHINGTON

American politician, military leader, and landowner

Best known as America's first president and the leader of the American forces in the Revolutionary War, Washington was also a wealthy man, who accumulated large landholdings through careful management. His fortune has become associated with civic virtue and fine character.

Born: February 22, 1732; Bridges Creek (now Wakefield), Westmoreland County, Virginia
Died: December 14, 1799; Mount Vernon, Virginia
Sources of wealth: Inheritance; marriage; real estate; government
Bequeathal of wealth: Spouse; relatives; charity

EARLY LIFE

George Washington was the first son born to Augustine "Gus" Washington (1694-1743) and his second wife, Mary Ball (1708-1789). He had two older half brothers, Lawrence and Augustine, and five younger siblings. His father was a tobacco planter and part owner of an iron foundry near Fredericksburg, Virginia. In 1743, Washington assumed family leadership at age eleven following his father's death. Washington learned skills as a plantation manager and from an early age wisely handled his family's finances.

At the age of twenty-one, he inherited the 260-acre Ferry Farm, plus four smaller land parcels and ten slaves, and his mother continued to live on this farm until her death. His half brother Lawrence inherited the family plantation on Little Hunting Creek and renamed it Mount Vernon in honor of his commanding officer, Admiral Edward Vernon, with whom he had campaigned while in military service to Great Britain.

FIRST VENTURES

Excelling in science and mathematics, Washington was an expert draftsman and mapmaker, who designed roads and bridges and became a proficient land surveyor by 1746, earning a considerable income. At seventeen, Washington plotted out the town of Belhaven (now Alexandria), Virginia, and with support from the Fairfax family he became the surveyor of Culpepper County in 1749, making £125 per year. He conducted 190 land surveys to validate colonial land claims and deeds. Washington was often paid in land for his services, and he had purchased 1,459 acres in the Shenandoah Valley before he inherited Ferry Farm. Like his father, he speculated in land.

MATURE WEALTH

In 1747, Washington surveyed lands for the Ohio Company and developed a useful knowledge of the wilderness. Before Lawrence died of tuberculosis in 1752, he had willed Mount Vernon to his half brother, George, who would later become the legal owner of the estate. Robert Dinwiddie, lieutenant governor of Virginia, in 1752 commissioned Washington to command Virginia's southern district militia at an annual salary of £100, launching Washington's military career. Dinwiddie assigned Washington to carry a letter requesting that the French evacuate the Ohio Valley, as the area was claimed by the British. Washington delivered the letter of ultimatum to the French at Fort LeBoeuf, but the French refused to abandon the area. Washington received £50 after the Virginia assembly published *The Journal of Major George Washington* recounting his Ohio adventure.

Washington was promoted to lieutenant colonel in the Virginia militia, ordered by Dinwiddie to drive out the French from the Ohio Valley, and provisioned to build Fort Necessity in order for the British to occupy the region. However, this fort was captured and partially destroyed, and the French built Fort Duquesne on the site. The French refusal to leave the Ohio Valley precipitated the French and Indian War (1754-1763). During this conflict, Washington served as military aide to British major general Edward Braddock, who was sent by the Crown to drive out the French. Washington distinguished himself in 1755 and was heralded as the "Hero of the Monongahela" following Braddock's death that year. Washington served without official rank or pay because he would not accept a rank from the British that was below his standing in the Virginia militia, in which he was commissioned as a colonel early in the war. However, he wore the uniform of a British colonel and received a stipend of £300 for his expenses. Washington also led the Virginia militia and British soldiers to capture Fort Duquesne. The British did not match the pay scale of the colonial militias, thus fanning additional resentments that would later lead to the Revolutionary War. These economic slights plus unjust taxation led Washington to enter colonial politics, and he was elected to the Virginia House of Burgesses from Frederick County in 1758.

Washington married Martha Dandridge Custis, the wealthy widow of Daniel Parke Custis, in 1759. At the time of their marriage, Martha presented Washington with her dowry of two hundred slaves; her residence, called the White House, on the Pamunkey River, where they were married; another home, Six Chimneys, in Williamsburg; £23,000 in British sterling; and 17,500 acres of land. Washington also managed the inherited properties of Martha's two minor children from her earlier marriage, John Parke Custis and Martha Parke Custis. In addition, Washington was awarded vast amounts of land in western Virginia as compensation for his military service in the French and Indian War.

Between 1761 and 1775, Washington doubled the size of his Mount Vernon estate to sixty-five hundred acres, and he held more than one hundred slaves. He and Martha made Mount Vernon their home, and the couple's joint assets made them one of Virginia's wealthiest families. Their family later increased when the Washingtons provided for two grandchildren, John Parke Custis's younger children, Eleanor Parke Custis and George Washington Parke Custis.

Washington diversified his crops at Mount Vernon because of the unpredictability of the overseas tobacco market, cultivating wheat and other grains that he could sell in the American colonies. He sought to make Mount Vernon self-sufficient with flour milling, fishing ponds, two boats on the Potomac River, a blacksmithing forge, distilleries, horse breeding, a sawmill, masonry works, and weaving centers. Washington lived the lifestyle of a wealthy Virginia planter, enjoyed high society, with fox-hunting his favorite sport, and was generous in his hospitality. He imported fine furniture and household goods, including a harpsichord for his music room. In 1773, his stepdaughter Martha Parke Custis died, and he and his wife used the £8,000 in her trust to pay their British debts.

After the outbreak of the Revolutionary War, Washington on June 19, 1775, was commissioned by the Continental Congress to be commander in chief of the Continental Army. He would not accept any payment for his services and requested that he be reimbursed only for his

George Washington at home with his family. Washington acquired large landholdings, including his Mount Vernon estate. (Library of Congress)

MOUNT VERNON

George Washington's most visible legacy of wealth was his estate, Mount Vernon, located on the banks of the Potomac River in Virginia. Mount Vernon was designated a National Historical Landmark in 1960 and is listed on the National Register of Historic Places.

The original Mount Vernon estate was part of a 1674 land grant to John Washington, George Washington's great-grandfather, and Nicolas Spencer from Thomas Colepeper, a British baron who later was the colonial governor of Virginia. The Washington interest in the land passed to Lawrence Washington, George Washington's grandfather, who divided the property with the Spencers in 1690. Lawrence's daughter Mildred sold the property to her brother Augustine, George Washington's father, who developed the property, then known as Little Hunting Creek, building a farm house in 1741-1742 for his son Lawrence, who willed it to his half brother George Washington. George Washington became legal owner of Mount Vernon after the death of Lawrence's only child, Sarah, in 1754, and his widow Anne Fairfax Washington Lee in 1761.

In 1774, George Washington paid taxes on 135 slaves who worked the property, and by July, 1799, the estate's lands were assessed at $488,000. Washington had started remodeling Mount Vernon in 1757, when he leased the property from Lawrence's widow, who had remarried, and he constructed wooden buildings in the neoclassic Georgian style. A second series of improvements was undertaken before the American Revolution.

Washington often accepted land and slaves as payments for debts. He was a prominent agriculturalist who studied the latest farming techniques and diversified his crops, growing flax, hemp, cotton, and silk when tobacco prices fell. He endeavored to abandon slavery, viewing it as economically unprofitable, and he attempted to recruit tenant farmers. In his will, Washington bequeathed Mount Vernon to his nephew Bushrod Washington, and ownership of the property eventually passed to John Augustine Washington, Jr., George Washington's great-grandnephew, who sold Mount Vernon in 1858 to the Mount Vernon Ladies' Association. The association continued to administer the Mount Vernon Estate and Gardens into the twenty-first century, when the properties had become an educational facility open to the public.

military expenses at the end of the war. On July 1, 1783, Washington provided the Continental Board of Treasury with his Revolutionary War expense account. Throughout the war, Washington campaigned for adequate provisions and pay for his soldiers. Following the American victory, he resigned his military commission on December 23, 1783. He then returned to managing Mount Vernon and became the first American chancellor of the College of William and Mary in Williamsburg, serving from 1788 until 1799.

Washington participated in the Constitutional Convention and supported ratification of the new federal Constitution, and in 1788 the convention delegates unanimously elected him the first president of the United States; four years later, he was once again the unanimous choice of presidential electors. The first U.S. Congress voted Washington a salary of $25,000 per year, which at first he declined, not wishing to appear self-serving, but he was finally persuaded to accept it. As president, Washington was as adept at managing the public's money as he was at supervising his private estate. He firmly established the nation's economic foundations by funding the public debt, establishing a national bank, managing the Western lands, encouraging capitalism, and formulating national tax policy in order to support the federal government's goals. To ensure U.S. prosperity, he encouraged ratification of the Jay Treaty with Great Britain, opposed "entangling alliances" with foreign nations, expedited the terms of the Treaty of Paris of 1783, opened trade with the British West Indies, and worked through the Residence Act of 1790 to establish the national capital in Washington, D.C. Washington received the first Congressional Gold Medal.

Washington died on December 14, 1799. His will was carefully drawn, with Martha receiving a life interest in Mount Vernon. Washington released his relatives from any debts they owed him. More than forty relatives were bequeathed large plots of land or cash, with his grandchildren Eleanor receiving two thousands acres from the Mount Vernon estate and his grandson George obtaining twelve hundred acres near Alexandria, as well as property in Washington, D.C. Washington's favorite swords were to be selected by his nephews. Mount Vernon's mansion and the bulk of its acreage and his personal papers and books were willed to his nephew Bushrod Washington. Washington also freed his own slaves, effective upon Martha's death, and provided that they be fed and clothed and the younger ones educated.

Washington bequeathed $4,000 to support a free school in Alexandria that would educate orphaned children so they would not have to drop out of school, as he had done after his father died. He pledged his shares in a Potomac navigation company to establish a national university, which later become George Washington University. He also gave one hundred shares in the James River Company to the Liberty Hall Academy. A gold-headed cane from Benjamin Franklin was willed to his brother Charles Washington, and Lawrence and Robert Washington received canes and spyglasses. To the marquis de Lafayette, with whom Washington fought in the Revolutionary War, he willed two steel pistols, but the key to the Bastille that Lafayette had given him remained at Mount Vernon. Washington provided $100 to each of his sisters-in-law for mourning rings. Unbequeathed lands were to be sold and the proceeds distributed to twenty-three heirs, and a large family crypt was to be built at Mount Vernon.

Legacy

For George Washington, morality was in league with riches. He became known as the Father of His Country because he led the American citizen-army to victory during the American Revolution, and he became a moral exemplar hailed for the civic virtue he demonstrated by resigning his military commission and deferring to civilian authority. As president, Washington was celebrated for his purity of character and his virtue in safeguarding the public welfare. He used much of his wealth for public benefit, and his image has become a symbol of the United States, depicted on the $1 bill and the quarter and memorialized at the Washington Monument in the nation's capital.

—*Barbara Bennett Peterson*

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See also: Robert Carter; Paul Cuffe; Elias Hasket Derby; Benjamin Franklin; John Hancock; John McDonogh; Robert Morris; Stephen Van Rensselaer III.

Josiah Wedgwood

English pottery designer, merchant, and inventor

Wedgwood combined talents in art, science, and marketing to build a worldwide, multimillion-dollar business that lasted into the twenty-first century. He was also an enlightened employer and social reformer who created a modern model of workers' benefits and compensation.

Born: Baptized July 12, 1730; Burslem (now in Stoke-on-Trent), Staffordshire, England
Died: January 3, 1795; Etruria, Staffordshire, England
Sources of wealth: Patents; manufacturing; sale of products
Bequeathal of wealth: Spouse; children; relatives

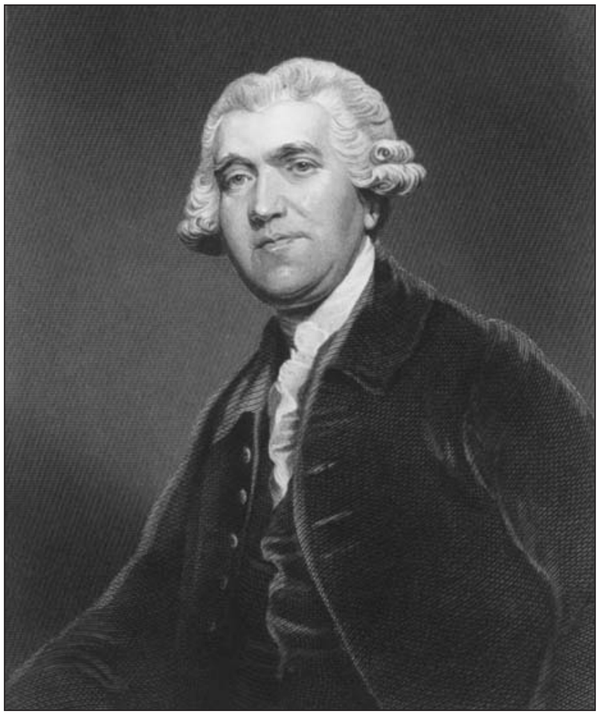
Early Life

Josiah Wedgwood (joh-SI-ah WEHDJ-wood) was baptized on July 12, 1730, in Burslem, Staffordshire, England. He was the twelfth child of Thomas Wedgwood III, a potter, and Mary Stringer Wedgwood, the daughter of a Unitarian minister. His family had entered the pottery business in the seventeenth century, when Wedgwood's great-great-grandfather Gilbert Wedgwood became a master potter.

Wedgwood received a basic school education in nearby Newcastle-under-Lyme. In 1739, his father died, leaving the family in heavy debt. The nine-year-old Wedgwood went to work in the family's Churchyard Works, now owned by his brother Thomas. When he was twelve, a serious smallpox attack weakened his right leg, which was eventually amputated in 1768. He worked less at the potter's wheel and focused on learning the art of the craft and experimenting with new ways of preparing and modeling clay. In November, 1744, he began an apprenticeship with his brother.

First Ventures

After his apprenticeship ended in 1749, Wedgwood worked for three years in the family business. He proposed a partnership, but his brother refused. From 1752 to 1753 he had a partnership with John Harrison in Stoke-on-Trent, Staffordshire, and in 1754 he entered a new partnership with the foremost English potter, Thomas Whieldon at Fenton, near Stoke. This alliance proved mutually beneficial. Wedgwood admired Whieldon's treatment of his workers, and Whieldon encouraged Wedgwood's creativity. In February, 1759, Wedgwood began the first of his famous detailed experiment notebooks, recording his daily chemical experiments to develop new, complex glazes. In March, he developed his first unique glaze, a translucent green glaze to be put on white or cream-colored earthenware. This elegant glaze surpassed all other green glazes and later became his trademark "grass green" glaze. In May, Wedgwood founded his own company, and his first factory was the Ivy House works in Burslem.



Josiah Wedgwood. (©Bettmann/CORBIS)

Mature Wealth

At Ivy House, Wedgwood produced his innovative, popular "greengrocery" wares: pots in the shape of cauliflowers, artichokes, melons, and pineapples, decorated with his unique green and yellow glazes. Most important, Wedgwood developed his revolutionary creamware, a pearly, glazed pottery that resembled fine porcelain. In contrast to the expensive porcelain or the standard earthenware that was dull, porous, and easily broken, creamware was easily decorated, durable, light, and relatively inexpensive to produce. This fine but affordable tableware was especially popular among the rising middle class.

Wedgwood constantly looked to the latest inventions and technology for ideas. He discovered that in 1756, John Sadler and Guy Green of Liverpool had invented the technique of transfer printing on earthenware, which was an inexpensive way of decorating and putting designs on pottery. In 1761, Sadler and Green began decorating Wedgwood creamware with emblems, landscapes, ships, and other scenes. These products sold well, and in 1763 Wedgwood purchased the right to use the process. The income of the Liverpool business grew from £30 a month in 1763 to £650 a month in 1771. Wedgwood's affiliation with Sadler and Green lasted until 1795.

On a trip to Liverpool in the spring of 1762, Wedgwood met Thomas Bentley, a cultured, educated, and influential merchant. Bentley became Wedgwood's closest friend and sold Wedgwood wares in Liverpool beginning in the mid-1760's. On August 10, 1769, Wedgwood and Bentley signed official partnership documents. Their friendship and successful partnership lasted until Bentley's death in November, 1780.

Wedgwood's unique glazes and distinctive wares surpassed other pottery products, and his business flourished. In early 1763, the company moved to the larger Brick House (or Bell) factory. That year, Wedgwood was the first to adapt the engine-turning lathe, a metalworking tool, for use in pottery. His business was also aided by the Act of 1763, which extended the Liverpool turnpike road to Burslem, thus enabling easier transporting of his products and raw materials.

On January 25, 1764, Wedgwood married a distant cousin, Sarah Wedgwood. Her huge dowry of £4,000 (more than $600,000) and moral support helped expand his business. The couple had eight children; their first child, Susannah, would become the mother of Charles Darwin, author of *On the Origin of Species by Means of Natural Selection: Or, The Preservation of Favoured Races in the Struggle for Life* (1859).

In 1765, Wedgwood opened his first London showrooms. Beautifully designed large meeting rooms and constantly changing displays made visiting the showrooms a fashionable pastime. Wedgwood also began using royal patronage and product names as marketing techniques. He completed an elaborate tea set in green and gold creamware for Queen Charlotte. She was so pleased that she allowed him to name his creamware "queensware" and appointed him the "potter to her majesty." Subsequently, creamware became the standard domestic pottery, attaining a worldwide market by the end of the 1760's. Later, in 1773, he created the 1,282-piece Frog Service dinnerware for the Russian empress Catherine the Great.

Wedgwood led the campaign to build a canal joining the Trent and Mersey Rivers. Completed in 1777, this canal opened up continental trade through Liverpool. In 1766, Wedgwood purchased a 350-acre estate between Burslem, Hanley, and Newcastle-under-Lyme, where he built a factory strategically located along the route of the planned canal. In partnership with Bentley, this new manufacturing complex, named Etruria, opened in June, 1769. At Etruria, Wedgwood introduced revolutionary concepts, such as health insurance, sick leave, and housing for workers and their families. Politically he was radical, supportive of the French Revolution, the abolition of slavery, and American independence. He was the first potter to market his products and the first to use his own name as the trademark. Wedgwood was also the first to use cost accounting, unsolicited samples, illustrated catalogs, traveling salesmen, money-back guarantees, self-service, and free delivery.

In 1768, he developed his unique black basalt pottery. In 1775, after thousands of experiments, Wedgwood introduced his world-famous jasperware, a white, unglazed stoneware capable of being stained many colors and ornamented in bas-relief. Renowned sculptor John Flaxman created many of the neoclassical-style decorations for Wedgwood jasperware, regarded as the greatest ceramic invention since the invention of Chinese porcelain. In 1790, after three years of development, Wedgwood introduced his Portland Vase, a perfect jasperware repro-

THE WEDGWOOD MUSEUM

The Wedgwood Museum reflects the true legacy of Josiah Wedgwood, revolutionary pottery designer, entrepreneur, and social activist. In a letter written on September 3, 1774, to his business partner Thomas Bentley, Wedgwood proposed establishing a historical collection representing each new ceramic piece created by the Wedgwood company. Although numerous wares were kept in storage and some Wedgwood family members saved certain pieces, the official museum collection was not established until 1906 by Josiah Wedgwood & Sons.

One of the earliest permanent ceramics museums, the Wedgwood collection was displayed at Etruria, the historic Wedgwood factory and village located near Stoke-on-Trent, England, and named after the Etruscan pottery being excavated in Italy. During World War II, the collection was kept in safe storage. In 1940, Wedgwood production was relocated from the Etruria site to Barlaston, Staffordshire, England. The new Wedgwood Works was the most advanced pottery factory in Great Britain. In 1952, the collection was reopened to the public in its new "long gallery," which was a wide corridor more than one hundred yards long, with display windows through which to view the objects. In the 1960's, the Wedgwood Museum Trust assumed management of the museum from Josiah Wedgwood & Sons, and the museum has remained independent from the company.

In 1975, the museum added a large visitor center complex, which included an art gallery, a theater, a demonstration hall for traditional ceramics methods, and 5,500 square feet of museum galleries with cases arranged in chronological order. In 1984, the museum galleries were rebuilt to double the floor space and to add content about the technical advancements and changes in artistic style and design within the chronological development of the company. A new picture gallery displayed the famous Wedgwood family paintings. The new galleries won the Industrial and Social History Museum of the Year Award in the 1984 National Heritage and *London Illustrated News* competition.

In September, 1999, the galleries were closed, and planning and development began for a new Wedgwood Museum, with expanded display and research facilities. The new state-of-the-art museum was designed and built with sensitivity to the environment. The increasing air pollution in Etruria had been one of the reasons for moving to Barlaston, which Wedgwood factory workers considered a garden. The Staffordshire Environmental Trust supported the new museum project, which used recycling, materials from sustainable sources, and an air-exchange system instead of traditional air conditioning. The multimillion-pound building project was completed in nine years, and the new contemporary Wedgwood Museum building opened in October, 2008.This new museum has the world's most extensive collection of Wedgwood manuscripts and pottery. In 2009, the museum won the £100,000 Art Fund Prize, the United Kingdom's largest single arts prize that honors the most imaginative and original museum or gallery of the year.

duction of the ancient, dark blue glass and enamel Greek vase excavated from a tomb near Rome in the seventeenth century.

In 1790, Wedgwood entered into a partnership with and his sons Joss, John, and Tom and his nephew Tom Byerley. On January 3, 1795, Wedgwood died from cancer of the jaw. He left the bulk of his estate, worth £600,000 (the equivalent of $100 million in 2010) to his wife and children, and Byerley inherited one-eighth of the thriving business.

Commemorative array of Wedgwood china celebrating the birth of Prince William in 1982. (Time & Life Pictures/Getty Images)

Legacy

Regarded as the most innovative English potter, Josiah Wedgwood transformed a cottage industry into an international manufacturing empire. An enlightened employer, he introduced unique benefits for workers. He creatively combined science and art to develop a brand that would be popular for centuries. Often regarded as the inventor of modern marketing, he developed new ways of selling that were successful with both royalty and the rising middle class.

Wedgwood's company continued to operate as a family business through another five generations and was incorporated in 1895. Family members stopped chairing the board in 1967, but direct descendants of Josiah Wedgwood continued to serve as board members. By 1975, the Wedgwood company had almost nine thousand employees in twenty factories, but the recession in the 1980's forced the company to lay off almost half of its workforce. In 1986, Waterford Crystal acquired Wedgwood for £252.6 million and formed the Waterford Wedgwood Group. In January, 2009, Wedgwood's 250th anniversary, the economic downturn and mounting debt forced Waterford Wedgwood into bankruptcy. In March, 2009, the private equity firm KPS Capital Partners acquired Waterford Wedgwood and formed WWRD Holdings Limited, the leading provider of luxury home and lifestyle products worldwide.

—*Alice Myers*

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See also: Kokichi Mikimoto; Pablo Picasso; Philip Rundell; Charles Lewis Tiffany.

William Weightman

American pharmaceutical manufacturer and landowner

Weightman was the richest man in Pennsylvania in his lifetime but continues to rank as one of the wealthiest Americans in history, with a personal net worth of $44 billion in 2010. He initially amassed his wealth by manufacturing an antimalarial drug, and he then invested in real estate, acquiring an even greater fortune.

Born: September 30, 1813; Waltham, Lincolnshire, England
Died: August 25, 1904; Philadelphia, Pennsylvania
Also known as: The Quinine King; The Richest Man in Pennsylvania
Sources of wealth: Manufacturing; sale of products; investments; real estate
Bequeathal of wealth: Children

Early Life

William Weightman (WAYT-mahn) was born on September 30, 1813, in Waltham, Lincolnshire, England, to William and Anne Farr Weightman. His maternal uncle was John Farr, a chemist, who in 1818 cofounded Farr & Kunzi, a chemical and pharmaceutical manufacturing firm in Pennsylvania. In 1829, when Farr encouraged the sixteen-year-old Weightman to move to America to work with the firm, Weightman immigrated and began his career as chemist at Farr & Kunzi.

First Ventures

As a chemist employed by Farr & Kunzi, Weightman teamed up with Thomas Powers, and upon the death of Abraham Kunzi in 1836, Weightman was made a partner in the firm. The newly established company of Farr, Powers & Weightman was well on the way to engaging in what would become one of the first, most reputable, and most lucrative chemical manufacturing endeavors in America. When Farr died in 1847, the business was renamed Powers & Weightman, and the company almost immediately attained international distinction for producing fine, medicinal chemicals at a time when the American pharmaceutical industry was just beginning to evolve.

Mature Wealth

Weightman began to amass his great wealth during the Civil War, when he was the first person to manufacture quinine sulfate in the United States. This drug was used to treat typhoid, malaria, and other diseases. Weightman attained great profits through the sale of quinine sulfate at a time when he had what one reporter later suggested was a virtual monopoly on the market. For nearly two decades, Powers & Weightman enjoyed a business with little competition and much profit. Powers died in 1878, leaving Weightman the sole chemist, manufacturer, and, financier of the firm.

By that time, however, Weightman was prepared to maintain a thriving business. He had wed Louise Stelwagon in 1841, and the couple had two sons and a daughter. In 1883, Weightman made his two sons partners in his firm. His sons, Farr Weightman and William Weightman, Jr., were both doctors of medicine and they worked alongside their father until their deaths, building the company that was pioneering the production of new chemicals and leading the development of the manufacturing process.

When the demand for quinine sulfate became greater than the supply, and as the price of the drug proved to be almost prohibitive, Weightman developed a method for manufacturing preferable and equally effective substi-

The Court Battle over William Weightman's Fortune

William Weightman had partnered with his sons, Farr Weightman and William Weightman, Jr., and his son-in-law, Robert C. Walker, to manage his pharmaceutical company. However, by January, 1904, these three partners had died, so that month Weightman made his daughter Anne M. Weightman Walker his new business partner. When Weightman died in August, 1904, Anne was the only heir to his fortune and she continued to run the company until that December, when it merged with another firm.

Weightman's will bequeathed all of his $60 million estate to his daughter. However, in March, 1905, Mrs. Jones Wister, the widow of her first husband, William Weightman, Jr., brought suit to contest the will. Wister argued that there was a codicil in the will that provided for Weightman's surviving grandchildren, including Wister's five children. She maintained that Weightman had a "lack of testamentary capacity" and was under "undue influence" when he wrote his will. Wister's son-in-law, Richard Waln Meirs, disputed Wister's claim about a codicil, and he said he was with Weightman at the time the will was written. Meirs also stated that his wife was happy with her current life and was in no way siding with her mother's lawsuit.

In June, 1905, one of Weightman's grandchildren, A. M. W. Weightman, also protested the will. A judge of the Orphans' Court ordered her to show cause why the probating of the will should not be set aside and why the contest should not be tried before a jury in the Common Pleas court. A. M. W. Weightman claimed that her grandfather had been "insane," that he had proposed to and been refused by Wister, and that he was profoundly jealous of Wister's current spouse. She also alleged that in preparing his will, Weightman had been "poisoned by false representations" and had disinherited his grandchildren as a result.

A judge in the orphan's court gave A. M. W. Weightman ten days to file a petition contesting the will. During that time, however, new evidence was revealed in the form of a "mysterious . . . bit of aged yellow notepaper," and this evidence caused the case to come to an abrupt halt. The contents of this note were never made public. Only a few individuals know what it said and why it was able to change the decision of the plaintiffs, who were sworn to secrecy about the note. In fact, as Meirs claimed, he would have preferred his tongue be cut out rather than disclose the secret.

In court proceedings before the note surfaced, Anne Weightman Walker testified to having given some $100,000 to one of the persons who witnessed the will, A. W. Hoopes, the account manager at her father's company. Her testimony also suggested that there may have been questionable activity regarding the actual writing of the will, during which time Walker was believed to have written the original draft to be copied by Weightman. Walker's testimony pointed to her knowledge of the contents of Weightman's original will and of her father changing the will to enable her to be its sole beneficiary. However, when the note was produced, the case was quickly concluded—apparently in favor of Walker. Walker appeared to be pleased; Wister and her lawyer refused to comment. Walker's lawyer, John G. Johnson, announced to reporters that it was "beyond human possibility" for the mysterious note to be disclosed to the public.

tutes, including less costly alkaloids of cinchonine. These synthetic substances also proved to be profitable, as was the company's later manufacture of citric acid. The senior Weightman continued to serve as head chemist in addition to the company's business manager. He would continue to hold these positions until shortly before his death in 1904, seeing his business yield remarkable profits.

In these productive years of his pharmaceutical business, Weightman engaged in other ventures to expand his wealth. He and his son-in-law, Robert C. Walker, made extensive investments in real estate. In one instance, the two took ownership of more than $1 million worth of property that lumber baron Peter Herdic had been forced to sell in the Panic of 1873. Weightman also owned extensive commercial holdings in Philadelphia, such as the Market House block, the Park Hotel, the Trinity Place block, and the Weightman block. Eventually, Weightman became the largest holder of real estate in Philadelphia and Pennsylvania, as well as one of the largest in the nation, and he was commonly considered to be the richest man in Pennsylvania.

Weightman became a director of the Commercial National Bank, the Northern Trust Company, and the Philadelphia Trust Company, and he was an active member of the Philadelphia College of Pharmacy from 1856 until his death. He also belonged to the Franklin Institute, the Pennsylvania Historical Society, and the Pennsylvania Horticultural Society, and he was noted for his philanthropic contributions. In 1893, for example, he donated $100,000 to the Pennsylvania Museum and School of Industrial Art for the purchase of the Haviland-Strickland Building, which was converted to an industrial art school.

Weightman died on August 25, 1904. His daughter Anne, who at the time of his death was a partner in his business, was the sole beneficiary of his entire estate, which at that time was worth $60 million.

Legacy

A few months after his death, Weightman's company merged with Rosengarten & Sons, and this firm eventually was absorbed by the pharmaceutical firm of Merck & Co. During his firm's operation, Weightman made significant contributions to the nascent American pharmaceutical business. He was business savvy, enterprising, and competitive, and these qualities enabled him to introduce new drugs to the United States and to develop synthetic compounds for these drugs, as well as to become one of the nation's largest landowners. Just as he had the knack for cultivating the rare flowering plants on the grounds of his summer home, Ravenhill, so did Weightman have a gift for generating and cultivating great wealth.

—*Roxanne McDonald*

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See also: Henry Cavendish; Alfred I. du Pont; Henry Francis du Pont; Irénée du Pont; Thomas Holloway; Alfred Nobel; James Smithson; Henry Wellcome.

Henry Wellcome

British pharmaceutical company executive

Overcoming humble origins, Wellcome used his entrepreneurial abilities to revolutionize the drug industry. He and his partner Silas Burroughs established one of the leading pharmaceutical companies of the nineteenth and twentieth centuries.

Born: August 21, 1853; Almond, Wisconsin
Died: July 25, 1936; London, England
Also known as: Sir Henry Solomon Wellcome
Sources of wealth: Manufacturing; sale of products
Bequeathal of wealth: Charity; medical research

Early Life

Sir Henry Solomon Wellcome (WEHL-kuhm) was born in rural Wisconsin in 1853, the son of a Quaker mother, Mary Curtis, and Solomon Wellcome, a farmer. When his father's potato crop failed in 1861, the family moved to Garden City, Minnesota, a trip of several weeks by covered wagon. Like most poor boys of that era, Wellcome left school in his early teens and went to work in his uncle's drugstore. His tasks included compounding the primitive medicines, and he also formulated his own compounds, including a lemon juice-based mixture that he attempted to peddle as "invisible ink." This job engendered an interest in medicine that Wellcome retained all of his life. He also was ingrained with deep religious feelings and a strong work ethic. Several of Wellcome's family members were evangelicals who believed in temperance, a belief to which he strictly adhered.

The small town in which the Wellcomes lived was very much a frontier settlement, and clashes with local Native American tribes were not uncommon. In 1862, Garden City was attacked by the Sioux, and as a result, several of the tribe's chiefs were hanged. Although most of the citizens were rabidly anti-Indian, the young Wellcome apparently harbored sympathy for the Native

Americans' plight. This feeling was to manifest itself later, when he devoted a portion of his fortune to Indian causes. When he was seventeen, Wellcome moved to Rochester, Minnesota, where William W. Mayo, a physician and family friend who would found the Mayo Clinic with his two sons, helped Wellcome obtain a position in a drugstore.

First Ventures

Mayo encouraged Wellcome to attend college in Chicago. When the college was destroyed in the great Chicago Fire of 1871, Wellcome relocated to Philadelphia, was apprenticed to a pharmacist, and attended a college of pharmacy. He specialized in the marketing and production of drugs, and while there he met Silas Burroughs, who was to become important in his later business ventures. By the age of twenty-one, Wellcome was working out of New York City as a traveling salesman for a major pharmaceutical company. Within two years he had obtained a position with the prestigious pharmaceutical firm of McKesson & Robbins.

As a rising star within the company, Wellcome was sent to South America to find herbs and medicinal plants that could be used to manufacture new drugs. In particular, his company desired a steady source of the tree bark used to make quinine, the antimalaria drug. Wellcome's exposure to the Indian culture in South America apparently reawakened his empathy for native peoples. He began recording his experiences in a popular series of papers that were published in pharmaceutical journals. He was still in his twenties when he became reacquainted with Burroughs, who was then working for the Wyeth drug company. Their meeting ultimately led to the establishment of the hugely successful pharmaceutical firm, Burroughs Wellcome & Company.

Mature Wealth

By the time Burroughs Wellcome was founded, the American pharmaceutical industry had progressed beyond the mortar-and-pestle stage to the manufacture of pills by machine. American drug companies envisioned great business opportunities in Europe and other areas of the world, where medicine was still primarily dispensed in powdered or liquid form. McKesson & Robbins awarded Wellcome the exclusive right to sell its products overseas, including in Africa, Asia, and Australia, and

The Wellcome Trust

The Wellcome Trust was established by the will of Henry Wellcome upon his death in 1936 at the age of eighty-two. The trust received the bulk of Wellcome's assets. Its initial stated purpose was to promote and support research aimed at improving the health of human beings and animals, and the trust eventually grew to become one of the world's largest private biomedical charities. In 1986, the trust began divesting itself of stock in the Wellcome pharmaceutical company in order to separate itself from the industry. This divestiture was completed in 1995 with the sale of all remaining stock to the Wellcome company's former competitor Glaxo, when the two firms merged to become GlaxoWellcome. The name Wellcome was later dropped in the formation of GlaxoSmithKline.

The Wellcome Trust is the largest nongovernmental source of funds for biomedical research in the United Kingdom. In 2009, its endowment was about £13.1 billion, and it spends about £600 million each year on its programs. Part of its mission is the funding of research programs in the medical humanities and biomedical fields, as well as activities that promote public engagement with science. Some of its programs are involved with technology transfer, the treatment of malaria, the sequencing of the human genome, the establishment of the United Kingdom Biobank, medical techniques for saving premature babies, cognitive therapy for bulimia, brain imaging and psychological disorders, and skin cancer research.

One of the Wellcome Trust's major initiatives, funded by a grant of £90 million, is a partnership with Merck & Co., a pharmaceutical firm, to create a nonprofit research center in India. The center seeks to facilitate the development of new vaccines for use in developing countries. This is the first time that a pharmaceutical company and a medical charity have formed such a partnership for this purpose. The trust is also engaged in a partnership with the U.S. National Institutes of Health; this partnership supports a four-year training program for Ph.D. candidates in international collaborative biomedical research at campuses in the United Kingdom, Ireland, and Maryland.

The Wellcome Trust also supports research at universities and other academic facilities in both the United Kingdom and abroad. It financed the construction of the Wellcome wing of the Science Museum in London and the establishment of a national network of Science Learning Centres. The trust sponsors a publications program and funds the Wellcome Trust Book Prize, an annual award of £25,000, one of the richest literary awards in the world, to a book about some aspect of health, illness. or medicine. In addition, the trust makes its published research available online without cost. The Wellcome Trust Case Control Consortium, composed of fifty research groups, was created in 2005 to help in the understanding of human genome sequencing and to identify genes associated with diseases and serious medical conditions, including glaucoma, multiple sclerosis, ulcerative colitis, and Parkinson's disease.

Wellcome and Burroughs set up a London office in 1880. A few years later, the two partners decided to stop importing medications from America because of heavy tariffs and to manufacture their own drugs in England. They set up a factory, and by the time he had reached the age of thirty, Wellcome was already a rich man.

The partners purchased a larger factory in England and had new machinery designed that produced pills at a rate of six hundred per minute. Wellcome used the brand name "Tabloid," a combination of "tablet" and "alkaloid," registered for the company's product line, and this product proved wildly successful. Burroughs Wellcome fought and won several court cases that enabled the firm to retain the name Tabloid as its own proprietary trademark. Upon the death of Burroughs in 1895, Wellcome assumed full control of the company and oversaw the opening of branches in Australia, New York, Canada, China, and South Africa. In order to retain its employees' loyalty, Burroughs Wellcome established an eight-hour workday and offered workers paid tuition for attending night classes. In the 1890's, Wellcome bought an English estate where his workers could enjoy company-sponsored outings, and the company also provided facilities for employees to participate in various sporting events and hobbies. Whether his beneficence sprang from altruism or from profit motives, the company did gain a more contented workforce.

Wellcome did not marry until 1901, when he was forty-eight years of age. His wife was a prominent doctor's daughter, Gwendoline Barnardo, known as Syrie, who was twenty-six years his junior. They had one son, born in 1903 and also named Henry, who appeared to be a disappointment to both of them. When their son was still very young, he was temporarily raised by foster parents. The Wellcomes' marriage proved to be an unhappy one, and in 1909 they began to live separately, eventually divorcing in 1915. Among Syrie's lovers (and later her husband) was the author W. Somerset Maugham, whom Wellcome named as corespondent in his divorce suit. Wellcome won custody of their son and apparently established an amicable relationship with him.

In 1910, Wellcome became a British subject, having lived in the country for some thirty years. In 1924, he combined all of his business interests into a holding company called the Wellcome Foundation. He was honored with a knighthood in the early 1930's, thus becoming Sir Henry Wellcome, and was also made an honorary fellow of the Royal College of Surgeons of England.

As an adjunct to his business activities Wellcome was a passionate, possibly obsessive, collector of items related to medicine. In order to house his collection, he established the Wellcome Historical Medical Museum in London in 1913, with his artifacts forming the core of its collection. At the time of his death in 1936, the Wellcome collection contained more than one million items, and by the twenty-first century the collection was housed in a building that was once a part of Wellcome's corporate empire. A majority of the nonmedical items were removed from the collection over the years, and some of the remaining items are on display in museums. Wellcome also had a great interest in archaeology and participated in many digs in Africa. The company he cofounded, Burroughs Wellcome & Company, was one of the firms that eventually merged to form the pharmaceutical giant GlaxoSmithKline.

Legacy

Henry Wellcome's business acumen helped to bring the pharmaceutical industry into the modern era, particularly in areas outside the United States, with technological advances in the production of medicines. His large fortune was used to establish a prominent biomedical charity that has significantly aided medical research in numerous fields throughout the world.

—*Roy Liebman*

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See also: Thomas Holloway; Robert Wood Johnson II; William Weightman.

Bartholomeus Welser

German banker, investor, and merchant

Under Welser's leadership, his family wielded great economic and political influence in Europe, rising to great heights as bankers and merchants during the early sixteenth century. Welser financed a German colonization effort in Venezuela, which was instrumental in the European settlement of South America.

Born: c. 1488; Augsburg, Swabia (now in Germany)
Died: c. 1561; Amberg, Swabia (now in Germany)
Also known as: Bartholomew Welser
Sources of wealth: Inheritance; banking; trade; slave trade; government
Bequeathal of wealth: Children

Early Life

Bartholomeus Welser (bahr-THOL-oh-may-uhs VEHL-sehr) was the son of Anton Welser, a prominent and wealthy Augsburg merchant. Family members had been public officials and businessmen in Germany since the thirteenth century. Welser grew up amid luxury provided by the family's lucrative import-export trade in the eastern Mediterranean and supplemented by European silver mining interests, which helped the Welsers amass a fortune. From an early age, Welser worked alongside his father, and he soon demonstrated his aptitude for entrepreneurial enterprises.

First Ventures

A family dispute in 1517 led several of Welser's brothers to relocate to Nuremberg and Ulm. After his father died in 1518, Welser and a brother, Anton the Younger, founded Welser and Company, and they added banking to their family business ventures. When the Habsburg king of Spain, Charles I, made a bid to become the Holy Roman emperor, the Welsers, along with the rival German bankers the Fuggers, financed his election, and he became Holy Roman Emperor Charles V in 1519. Contemporary accounts indicate that Welser lent Charles nearly 150,000 florins to secure the election. The Welsers subsequently backed many of the emperor's various European wars at the cost of twelve tons of gold.

As a reward for Welser's financial support, Charles appointed Welser his privy councilor and later elevated Welser to a position of nobility in 1532. Welser gained other privileges, such as safe-conduct passes and tax exemptions. Charles V was supposed to repay Welser's loans by 1527, but he could not. As compensation, Charles granted Welser the right to establish trade in sugar, precious metals, textiles, pearls, and slaves between Europe and Hispaniola (now Haiti and the Dominican Republic). Charles also gave Welser an exclusive concession to explore and exploit the newly discovered Spanish province of Venezuela ("little Venice") in the New World.

Mature Wealth

In 1528, Welser outfitted several ships, staffed with Flemish and Spanish mercenaries and German miners, that sailed to Venezuela under the control of his agents. These passengers were to erect forts and establish settlements for colonization, meanwhile developing mineral deposits and importing slaves from West Africa to work the land in the new colony. The Venezuelan enterprise, which continued for more than twenty-five years, proved to be disastrous.

From the start, there was hostility between the Spanish and the Germans. The colonizers, made greedy by the lucrative 1521 conquest of Mexico, were more interested in finding treasure than in building communities. Wave after wave of German-led expeditions, revitalized in the 1530's by the rich conquest of Peru, journeyed into the harsh, swampy interior of Venezuela in search of El Dorado, the fabled lost city of gold. Instead of gold or precious stones, they found only hardship, disease, and death by starvation or in conflicts with belligerent natives, who fiercely resisted attempts at subjugation. In 1546, the year Charles V revoked Welser's Venezuelan concession, Welser's son, Barthlomeus the Younger, coleader of another excursion into the interior, was murdered at the hands of the Spanish. Although Welser fought for a decade to reverse the revocation, his concession was formally terminated in 1556. It is estimated that the Venezuela venture cost the Welser family more than 3 million gold florins, and the family never did recoup its original loans to Charles V.

Legacy

Welser retired from business in the mid-1550's and died in 1561, leaving the much-depleted family business in the control of his three sons and two nephews. Although the house of Welser declined and went bankrupt by 1614, and the Augsburg branch of the family became extinct in 1797, the contribution of Barthlomeus Welser to the history of the Old and New Worlds is significant. Welser's funds supported Emperor Charles V's numerous military enterprises in Europe between 1519 and 1556, and Welser-backed expeditions resulted in the founding of Bogotá, Colombia, and Buenos Aires, Argentina, helping make possible the conquest of South America.

—*Jack Ewing*

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See also: Agostino Chigi; Francesco Datini; Jakob Fugger; Lorenzo de' Medici; Jacopo de' Pazzi; Filippo Strozzi.

Joséphine de Wendel

French industrialist

The widow of an iron entrepreneur, Wendel expanded the ironworks and established a tightly controlled family enterprise that became the leading iron and steel conglomerate of nineteenth century France.

Born: February 17, 1784; Metz, France
Died: March 13, 1872; Metz, France
Also known as: Marie Françoise Joséphine de Fischer de Dicourt (birth name); Madame Joséphine; Madame François de Wendel
Sources of wealth: Inheritance; steel; manufacturing
Bequeathal of wealth: Children

Early Life

Joséphine de Wendel (joh-say-feen duh WEHN-dehl) was born to Pierre Alexandre Chrétien de Fischer de Dicourt and Anne Eléonore Reine de la Cheze. In 1804, she married a distant cousin, François de Wendel, who was heir to an iron forge and castle in Hayange founded by his great-grandfather, Jean-Martin Wendel (1665-1737) but ruined in the French Revolution. François repaired the castle and rebuilt the ironworks. By the time of his sudden death at age forty-seven, he had built the third-largest iron enterprise in France, producing almost 1 percent of the nation's iron.

First Ventures

After her husband's death in 1825, Wendel was left with five children. In 1826, she married her daughter Marguérite to a widower, Théodore de Gargan, who was a foundry operator in the French royal mines. Gargan expertly managed the Wendel mines, obtaining a royal land concession and ensuring the prosperity of the ironworks. Wendel's son Charles studied mining and metallurgy in England and returned in 1834 to share management of the company with Gargan. As the business expanded its iron and real estate ventures throughout Alsace-Lorraine, Wendel organized the Wendel holdings to keep them intact, a task made difficult by the inheritance laws of the Code Napoleon. She drew up contracts for each of her descendants in which they ceded their rights of inheritance in exchange for 400,000 francs to be paid out as annual income over ten years.

Mature Wealth

With Joséphine de Wendel organizing the family industries and Charles de Wendel and Gargan managing them, the Wendels became the leading iron and steel industrialists in nineteenth century France. The expansion of railroads created an insatiable demand for iron for rails and coal for energy. The ironworks increased the number of blast furnaces it used from three in 1834 to eight in 1857, and the number of workers grew from 325 in 1828 to 2,000 in 1850 and 7,000 in 1869. Production of coal from the Wendel mines climbed from 32,000 tons in 1847 to 223,000 in 1870. The output of cast iron increased from 6,000 tons in 1828 to 23,000 in 1847, 88,000 in 1862, and 134,500 in 1869, with the Wendel ironworks ultimately producing 11.2 percent of the iron made in France.

On April 24, 1857 Wendel established a new company, Les Fils de François de Wendel (the sons of François de Wendel). She injected capital of 30,306,330 francs for the company (at this time equivalent to \$5.8 million), with a pledge of an additional 8,177,873 francs (equivalent to \$1.6 million). In exchange, she received 80 percent of the company's profits, bringing her great wealth. In 1857, she paid 1.5 million francs for a new coking furnace. In 1862, she gave her son Charles 1,481,252 francs from her company shares, and she gave 100,000 francs to each of her other descendants. Les Fils de François de Wendel pioneered new ways to organize family wealth in France and to provide benefits for its employees. In 1857, it created a model town for its workers, Stiring-Wendel. The firm also introduced the use of pensions, seniority, workers' compensation, company shops, and sick pay.

When Charles died in 1870, Wendel, although eighty-six years of age and blind, took complete control of the company. She deftly maintained ownership of her properties, even though Germany had annexed Alsace-Lorraine after the Franco-Prussian War. She renamed the company Les Petits-Fils François de Wendel (the grandsons of François de Wendel), with shares held by her fourteen grandchildren. When she died in 1872, the Wendel industries were an intact family dynasty that would operate into the twenty-first century.

Legacy

Inheriting a growing ironworks from her intrepid husband François, Joséphine de Wendel turned it into a leading industrial power in France, with vast iron and steel factories and real estate holdings throughout Alsace-Lorraine. She helped establish a new form of family capitalism, refashioning inheritances to preserve an intact Wendel company closely held by her descendants. Wendel industries would continue to flourish in the twentieth century, with her great-grandson François de Wendel (1874-1949) the leading industrialist in interwar France. In the twenty-first century, the Wendel Group proclaimed itself a historic pioneer in recognizing the entrepreneurial abilities of women, citing the remarkable organizing genius of its matriarch, Joséphine de Wendel.

—*Howard Bromberg*

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See also: Andrew Carnegie; Richard Crawshay; Henry Clay Frick; Alfred Krupp; Bertha Krupp; Henry Phipps; Charles M. Schwab.

George Westinghouse

American inventor, engineer, and industrialist

By the end of the nineteenth century, Westinghouse was America's greatest engineer. His inventions of the air brake and alternating current system revolutionized the railroad and power industries. He was also a benevolent employer, who built an international commercial empire based on his unique management of ideas and people.

Born: October 6, 1846; Central Bridge, New York
Died: March 12, 1914; New York, New York
Also known as: George Westinghouse, Jr.
Sources of wealth: Patents; manufacturing; utilities
Bequeathal of wealth: Children

Early Life

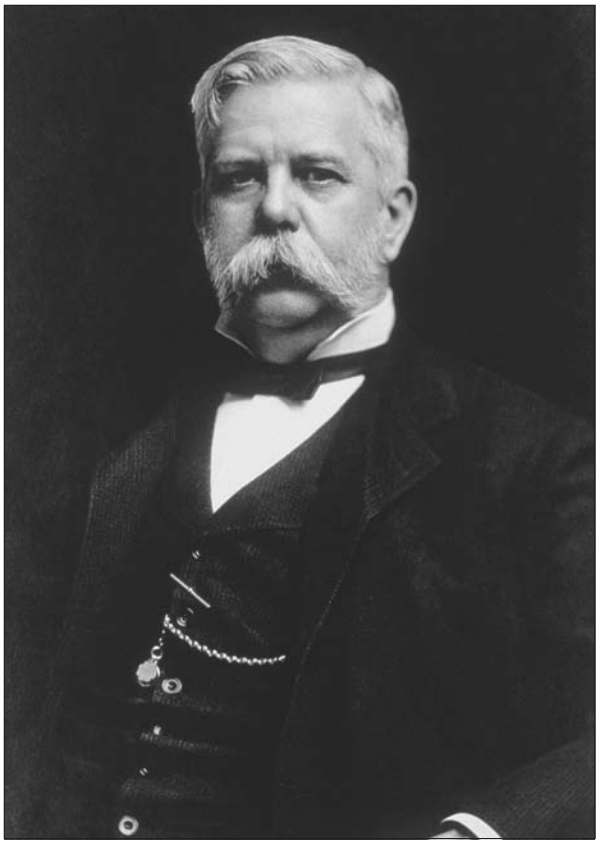
George Westinghouse, Jr., was born on October 6, 1846, in Central Bridge, New York, the eighth child of George and Emmeline Vedder Westinghouse. His father's ancestors, originally from Westphalia, Germany, settled in England in the fourteenth century. In the seventeenth century, they immigrated to the United States, where they settled in Vermont. Westinghouse's father, a farmer, moved from Vermont to Ohio and finally to Central Bridge. Westinghouse's mother was related to the American symbolist artist Elihu Vedder.

When Westinghouse was ten years old, his family started a manufacturing firm to produce agricultural machinery and steam engines. His father was a talented inventor and acquired numerous patents. In 1860, Westinghouse began working at his father's shop, where he learned about tools and machinery. During the Civil War, Westinghouse served in the infantry and then became a naval engineering officer.

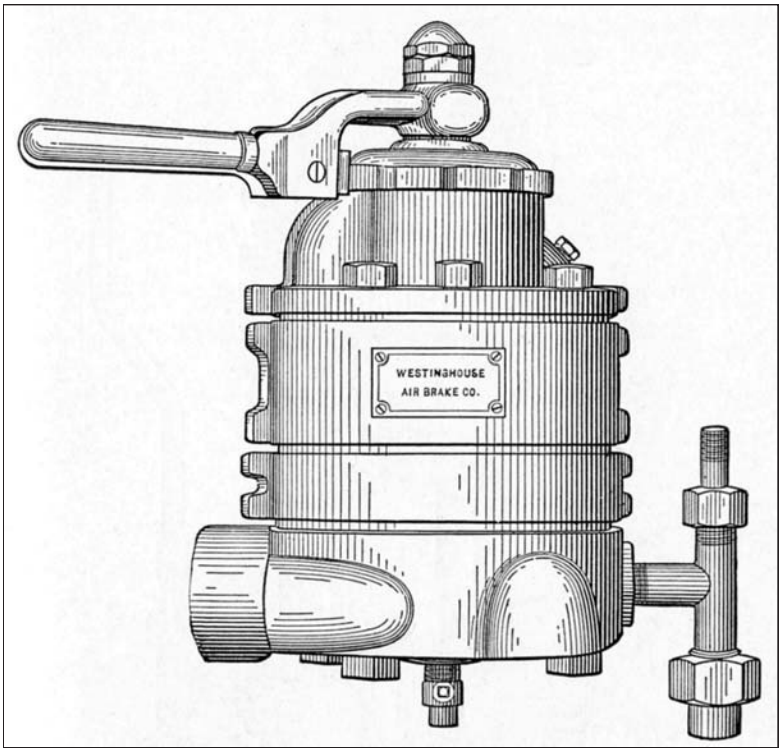
First Ventures

After the war, Westinghouse attended Union College for three months and then returned to work in his father's shop. In October 1865, when he was only nineteen years old, Westinghouse received his first patent, for a rotary steam engine, which was impractical but inspired future high-speed rotating turbines and generators. Westinghouse frequently traveled by train to meet with customers and suppliers. Observing that train derailments were a common problem, he invented a railroad car replacer, a switch that quickly brought derailed freight cars back on their tracks. He also developed an improved railroad frog, a permanent piece of track or track switch that allowed trains to go across rails at a junction. Westinghouse also realized that steel would be a more durable material for his inventions than the commonly used cast iron and wrought iron.

In 1866, he formed a partnership with two businessmen from Schenectady, New York, who each contributed $5,000 to form the company of Rawls, Walls, & Westinghouse. Problems arose when Westinghouse's two partners wanted control of his patents. Westinghouse traveled regularly to Pittsburgh, Pennsylvania, where he founded a steel company to manufacture his inventions more economically. He also met potential financial backers. In 1867, he filed a patent for a reversible steel railroad frog. His design of two frogs in one product introduced the engineering concept of redundancy. On August 8, 1867, he married Marguerite Erskine Walker, and they settled in Pittsburgh in 1868. They had one child, George Westinghouse III, born in 1883.



George Westinghouse. (Getty Images)



This illustration depicts the handle and control valve of a Westinghouse air brake. Westinghouse's air brake system, operated by compressed air, was his first major invention.

MATURE WEALTH

Westinghouse realized the significance of railroads to American industrialization, but trains had frequent accidents because of a system that required brakemen on each car to manually apply the brakes. In April, 1869, he obtained a patent for his first major invention, an effective air brake system operated by compressed air. In July, 1869, Westinghouse founded the Westinghouse Air Brake Company on thirty acres of land in Pittsburgh. This firm was the first of sixty companies he would establish during his life. The Railroad Safety Appliance Act of 1893 made air brakes a requirement on all U.S. trains. With continual improvements, the automatic air brake increased safety and enabled railroads to travel at higher speeds and with a greater number of cars. By 1905, Westinghouse's company was producing one thousand brakes per day and had about three thousand workers. Westinghouse's "Quick-Action Automatic Brake" was used in eighty-nine thousand locomotives and more than two million railroad cars.

Westinghouse subsequently worked on an improved method of railroad signaling. With a combination of his own inventions and the purchase of other patents, he perfected an electrical and compressed air signaling device. In 1881, he established the Union Switch and Signal Company in Pittsburgh.

Westinghouse saw the potential of clean-burning natural gas as an alternative to coal, so he acquired thirty-eight patents for gas piping equipment. In 1884, he purchased the charter of the Philadelphia Company in order to start a utility company for the distribution of natural gas through pipelines to thousands of Pittsburgh homes. By 1887, 90 percent of factories and 75 percent of homes in Pittsburgh used natural gas.

Westinghouse realized the disadvantages of Thomas Edison's direct current (DC) system, in which an electric charge moves in only one direction. He saw the potential of alternating current (AC), in which the flow of an electric charge periodically reverses direction. In 1886, he founded Westinghouse Electric Company to make AC equipment. On March 20, 1886, his engineer, William Stanley, successfully demonstrated the first commercial use of AC power and transformers to provide electric illumination. A steam-engine-driven AC power generator electrified buildings on Main Street in Great Barrington, Massachusetts. In 1888, Westinghouse purchased the exclusive rights to Nikola Tesla's patent for a polyphase electrical system and hired Tesla to work for him. Thus began the famous and bitter conflict with Edison, whose DC service in 1882 was the first electrical utility service. The battle between Edison's DC and Westinghouse and Tesla's AC was the first major standards war in the United States. When AC was used for the first electric chair execution on August 6, 1890, AC was stigmatized as an electrocution current.

In 1893, Westinghouse set up 250,000 lights to illuminate the World's Columbian Exposition at the Chicago World's Fair. That same year, he built three five-thousand-horsepower, two-phase generators to harness the energy of Niagara Falls; in 1895, this installation was able to light up Buffalo, New York. AC eventually became the standard current in the United States. In 1895, Westinghouse also began developing high-speed steam and gas engines. The following year, he bought the

American rights to the Parsons steam turbines, and the first U.S. public utility steam turbine generator became operational in 1900.

Westinghouse's management practices were unique for his time. He believed in treating his workers with respect and providing for them and their families. He pioneered pension plans for workers, and his factories had on-site hospitals. Paycheck deductions helped workers purchase homes in planned communities at Wilmerding in East Pittsburgh and Trafford in Pennsylvania.

He hired other gifted engineers and gave them credit for any new products they developed. Patents were issued with an inventor's name, rather than in Westinghouse's name. For instance, the patents for all 162 products developed by employee Benjamin G. Lamme were issued in Lamme's name.

By 1900, Westinghouse's companies were valued at \$120 million. In 1905, he introduced the first mainline, AC locomotive for the Manhattan Elevated Railroad in New York City. In 1910, he invented a compressed air spring or shock absorber for automobiles. In 1911, after a power struggle involving bankers and creditors, Westinghouse lost the presidency of the board of the Westinghouse Electric Company. Westinghouse died on March 12, 1914. His wife died that June, and their son, George Westinghouse III, and his wife were the sole heirs.

Legacy

At the time of his death, Westinghouse owned 314 patents, controlled more than fifteen thousand patents, and employed more than fifty thousand workers. He had founded sixty companies worldwide and transformed the railroad industry with his air brake and railroad signaling inventions. His development of the AC standard revolutionized the field of electrical power. Westinghouse Electric and many of his companies continued into the twenty-first century.

A millionaire entrepreneur, Westinghouse believed that his wealth should benefit mankind, and he treated his employees with kindness. In 1930, thousands of employ-

George Westinghouse Medals

The American Society of Mechanical Engineers (ASME), founded in 1880, is a nonprofit professional organization that promotes the science, art, and practice of engineering and allied sciences worldwide. Inventor, entrepreneur, and industrialist George Westinghouse was an honorary member of ASME, and he served as its twenty-ninth president from 1910 to 1911. A gifted, self-taught mechanical engineer, Westinghouse valued this recognition by his peers.

Westinghouse shaped modern technology and transformed the manufacture of power by developing the use of alternating current (AC), which became the standard for electric power transmission. In honor of his contributions, ASME awards two George Westinghouse Medals to recognize outstanding achievement or service in the power field of mechanical engineering, including power design, research, development, and utilization, or the administration and organization of these activities. The George Westinghouse Gold Medal was established in 1952 and includes a vermeil medal, a certificate, an honorarium of \$1,500, and hotel and travel expenses to attend the awards ceremony. The George Westinghouse Silver Medal was established in 1971. It is limited to applicants who are forty-five years old or younger on June 30 of the year of the presentation ceremony. This award includes a silver medal, a certificate, an honorarium of \$1,000, and hotel and travel expenses to attend the awards presentation.

The first Gold Medal was awarded in 1953 to Alexander G. Christie for his civic power development. A pioneering mechanical engineer, Christie taught at Johns Hopkins University for fifty years. The first Silver Medal was awarded in 1972 to aeronautical engineer William E. Rice for his work with the National Aeronautics and Space Administration's (NASA's) propulsion and power systems.

The 2009 Gold Medal was awarded to Essam E. Khalil, a fellow at Cairo University, Egypt, for his work on power plant design and the use of mathematical modeling of flames and turbulent combustion in order to reduce pollution from power plants and to increase efficiency. The 2009 Silver Medal was awarded to Somrat Kersuwan, a professor in the department of mechanical engineering at the King Mongkut University of Technology in North Bangkok, Thailand. This award recognized Kersuwan's work as a researcher, educator, and engineer in the development, design, and application of wastes and low-grade fuels for clean energy conversion and power production, with emphasis on pollution and alternative energy sources.

Other medalists have included Janos M. Beer (2001 Gold), a chemicals and fuels engineer; Fred J. Moody (1980 Gold), a thermal-hydraulics engineer; Joseph A. Barsin (1986 Silver), an expert in combustion systems and fuel energy conversion; and Ting Wang (1998 Silver), a specialist in gas turbine technology.

ees and retirees of his companies donated the funds to create a memorial to Westinghouse in Pittsburgh's Schenley Park. The American Society of Mechanical Engineers established the George Westinghouse Gold Medal in 1952 and the George Westinghouse Silver Medal in 1971 to honor achievements in the power field of mechanical engineering.

—*Alice Myers*

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See also: Samuel Colt; Peter Cooper; George Eastman; Thomas Edison; Harvey Firestone; Edwin Herbert Land; Samuel F. B. Morse; Isaac Merrit Singer.

Frederick Weyerhaeuser

American lumber baron, landowner, and investor

Weyerhaeuser became the first modern timber products magnate in the United States, assembling an empire consisting of millions of acres of land, sawmills, paper mills, and other assets. His company pioneered methods of sustainable forestry that treated timber as an agricultural crop.

Born: November 21, 1834; Nieder Saulheim, Hesse (now in Germany)
Died: April 4, 1914; Pasadena, California
Also known as: Friedrich Weyerhaeuser (birth name); the Timber King
Sources of wealth: Lumber; real estate; investments
Bequeathal of wealth: Charity

Early Life

Frederick Weyerhaeuser, the son of John Weyerhaeuser, was born in the village of Nieder Saulheim in the Rhine Valley, an old Roman walled town in an agricultural region. Weyerhaeuser was one of eleven children. He attended a Protestant school and began farm work at the age of eight. His workload increased at the age of twelve, when his father died. At fourteen, Weyerhaeuser was confirmed in the German Reformed Church. (Later, when he settled in the United States, he attended Presbyterian and Lutheran churches.) Land was scarce in the overpopulated Rhine Valley, so many area residents immigrated to the United States in the mid-nineteenth century. One of Weyerhaeuser's older sisters and an aunt moved to western Pennsylvania in 1849, and Weyerhaeuser and the rest of his immediate family followed in 1852.

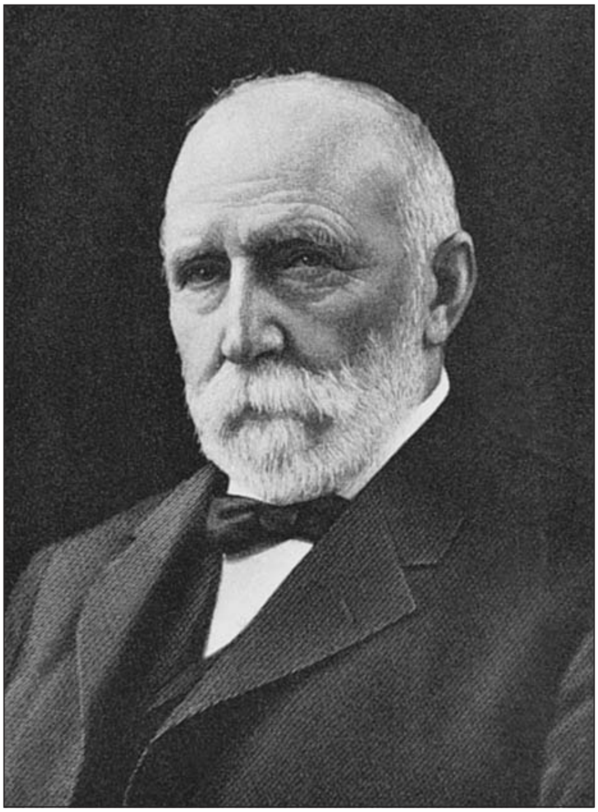
First Ventures

Weyerhaeuser's first job in the United States was as a day laborer near Erie, Pennsylvania. He also learned the brewer's trade before moving to Rock Island, Illinois, in March, 1856, where he worked on construction of the Rock Island and Peoria Railway. Everywhere he was employed, Weyerhaeuser advanced quickly because of his willingness to work long hours.

In Rock Island, he got his first taste of the forest products business when was hired as night watchman at the Mead, Smith & Marsh sawmill. He later sold lumber and then was promoted to supervisor of the sawmill and an adjoining lumberyard. The sawmill fell into bankruptcy during the Panic of 1857, and Weyerhaeuser used his savings to buy both the mill and the lumberyard. On October 11, 1857, he married Sarah Elizabeth Bloedel, who also had emigrated from Nieder Saulheim.

Weyerhaeuser refined his skills in the lumber business, and within a few years he mastered the rudiments of growing evergreen trees, harvesting them, readying lumber for manufacture and sale, using railroad networks to transport his products, and investing his profits to expand his landholdings and ability to grow more trees. His business grew with a building boom that followed the westward expansion of the United States.

Weyerhaeuser joined in partnership with his brother-in-law, F. C. A. Denkmann, in 1860 under the corporate name of Weyerhaeuser & Denkmann, and he swiftly expanded the company's business operations. The company's lumber output tripled within a few years. The firm also acquired a lumber shipping business along the Mississippi River and added several other sawmills to its growing list of properties. By 1864, the company was buying tracts of lumber-producing forest land. Weyerhaeuser and Denkmann built a vertically integrated business that controlled the production process of timber from tree to sawmill.


Frederick Weyerhaeuser. (The Granger Collection, New York)

Mature Wealth

From the 1860's through the 1880's, Weyerhaeuser acquired more timber-bearing land in Minnesota, Idaho, Wisconsin, Washington, and Oregon as he became a friend of James J. Hill, the primary figure in the new Northern Pacific Railway, who had also become a major landowner of timber resources through federal laws that allowed railroads to acquire inexpensive land along their rights-of-way. Northern Pacific had obtained almost sixty-nine thousand square miles of forests on its route from Lake Superior to Puget Sound. Weyerhaeuser first met Hill as a next-door neighbor in St. Paul, Minnesota. Hill did not realize the value of the forests on his lands, and he thus sold large tracts to Weyerhaeuser for very low prices, adding to the profitability of Weyerhaeuser's growing business empire. Weyerhaeuser snapped up Hill's Western lands at a time when many old-growth forests in the East were being logged. While Hill was short of cash, Weyerhaeuser was in need of trees.

On one day alone, January 3, 1900, Hill sold Weyerhaeuser 900,000 acres (1,406 square miles) of timber-bearing land in Washington State for \$5.4 million, about \$6 per acre. Within days of this purchase, Weyerhaeuser on January 18 incorporated the Weyerhaeuser Timber Company, the largest lumber firm in the state of Washington.

By the beginning of the twentieth century, Weyerhaeuser's company owned more timber-bearing land than any other business in the United States, with a total of 1.5 million acres in 1903. While the company acquired a sawmill in Everett, Washington, among other industrial properties, its primary business continued to be the growing and selling of timber to other firms for processing. Eventually, Weyerhaeuser acquired more than two million acres of timberland in the Pacific Northwest at an average cost of only \$8.80 per acre, and he regarded this property as a long-lived productive asset.

Weyerhaeuser chose George S. Long as the company's first general manager, and Long held the job for three decades. During that time, Long developed some of the earliest ideas of sustainable forestry, and in 1904 he began to view timber as an agricultural crop. Sustainable forestry was not always beautiful or environmentally friendly; it involved clear-cutting, wetland drainage, and intense use of chemicals, such as fungicides, herbicides, and fertilizers, to accelerate the trees' growth. Weyerhaeuser and Long campaigned against tax laws that encouraged onetime harvests of timber on land that would subsequently be used for farming. Reforestation, land conservation, and fire prevention became company priorities early in the twentieth century. At the same time, Weyerhaeuser was acquiring more land on which to pursue his model of sustainable tree farming.

Weyerhaeuser's philosophy was simple: Wherever his company bought timber, he believed he could make a profit; a purchase avoided was an opportunity lost. He also believed in cooperation, rather than competition, and he bought other lumber firms in order to reduce the cost of production by increasing the economies of scale. In 1872, Weyerhaeuser played a key role in founding the Mississippi River Boom and Logging Co., which controlled every log milled along the Mississippi River.

Weyerhaeuser spread his influence through interlocking directorates with other firms. Eventually, he was president of sixteen lumber companies other than the one that bore his own name; the other companies retained their original names, including Boise Cascade and Potlatch. He also was a major stockholder in many other firms.

Work was an ingrained habit and was its own reward for Weyerhaeuser. Long after his wealth made it unnecessary for him to work long hours, he continued working, and he regarded public glorification of his labor as a waste of time and energy. He spoke instead of the joy he derived from accomplishment. Work engaged Weyerhaeuser more than the mere accumulation of wealth, although he also saw money as a just reward for his labor. Despite his wealth, he remained a person of simple tastes who avoided publicity, giving few interviews to the press. Weyerhaeuser even avoided being mentioned in *Who's Who in America*, and the publication did not manage to catch up with him until 1911, three years before he died. By that time, Weyerhaeuser already was a multimillionaire. Weyerhaeuser was described as the "Timber King" in a profile published by *The New York Times* in 1913. The next year, on April 4, 1914, he died while on vacation in Pasadena, California.

WEYERHAEUSER FAMILY FOUNDATION

The Weyerhaeuser Family Foundation, which was incorporated in 1950, provides funds for programs that it defines as having an impact in the United States and internationally, "to promote the welfare of human and natural resources." The foundation's guidelines direct its board and staff to "enhance the creativity, strengths and skills already possessed by those in need and reinforce the sustaining processes inherent in nature."

The foundation has several specific initiatives. One project is aimed at children who have been exposed to domestic violence. Another promotes programs that assist the conservation of forests and sustainable economic development of natural resources, as well as local community building.

In 2008, the foundation reported a market value of $14.5 million and awarded $898,000 worth of grants, including almost $300,000 related to the Children's Initiative and $205,000 for its Sustainable Forests and Communities Initiative. In addition, $394,000 was granted as part of the organization's "general docket." Grants usually range from about $10,000 to about $30,000 and often are given to American-based groups that work in other countries. Examples of grants include an award to Empowerment International of Lyons, Colorado, in order to encourage primary school education in Santa Ana de Malacos, Nicaragua ($20,890); India Partners of Eugene, Oregon, for developing instructional programs in Andhra Pradesh, India ($8,000); and Environment Agros International of Seattle, Washington, in order to aid reforestation and economic development in fourteen villages in southwestern Nicaragua ($20,000).

While the Weyerhaeuser Family Foundation is endowed with money earned through the activities of the Weyerhaeuser family since its patriarch, Frederick Weyerhaeuser, began working in the 1850's, it is not controlled by the Weyerhaeuser Company, and it is unrelated to a larger foundation that is operated by the company itself. The larger organization, the Weyerhaeuser Company Foundation, was founded in 1948 and had contributed more than $190 million in charitable grants as of 2008.

LEGACY

The Weyerhaeuser Company, as it was renamed in 1959, remained a major timber firm long after its founder died. Shortly after Weyerhaeuser's death, World War I created a substantial new demand for timber to build wooden ships, as well as rudimentary airplanes and barracks. Demand was so intense that for a time the U.S. Army sent troops onto Weyerhaeuser land to assist in the harvest of timber.

Frederick and Sarah Weyerhaeuser remained married for more than fifty years and had seven children. The eldest, John P. Weyerhaeuser, followed his father into the forestry business, managing the Nebagamon Lumber Company, in Wisconsin. Upon his father's death, John became president of the Weyerhaeuser Company. Another son, Charles A. Weyerhaeuser, managed the Pine Tree Lumber Company in Minnesota and later became president of the Potlatch Lumber Company in Washington State.

In the twenty-first century, the Weyerhaeuser Company was based in Tacoma, Washington, and the firm remained a leading world producer of lumber, paper, pulp, packaging materials, and other products, with 270 sawmills, paper and pulp and mills, and factories in the United States and seventeen other countries. The company is one of the world's largest nongovernmental landowners, with seven million acres in the United States and thirty-one million in Canada.

—*Bruce E. Johansen*

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See also: Captain Robert Dollar; James J. Hill.

Edith Wharton

American author and socialite

Wharton was born into a wealthy family, and she lived among America's richest men and women. She chronicled and satirized this elite society in her novels, short stories, travel writings, and memoirs.

Born: January 24, 1862; New York, New York
Died: August 11, 1937; St.-Brice-sous-Forêt, France
Also known as: Edith Newbold Jones (birth name)
Sources of wealth: Inheritance; writing; real estate
Bequeathal of wealth: Relatives; friends; employees; charity

Early Life

Edith Wharton (EE-dihth WAHR-tuhn) never had to worry about "keeping up with the Joneses" in order to show off her wealth. She was born into the Jones family that reportedly inspired the adage. Her parents, George Frederick Jones and Lucretia Rhinelander Jones, belonged to one of the largest, richest, and most socially prominent families in nineteenth century America. Edith Newbold Jones was born with the proverbial silver spoon in her mouth.

In 1879, Edith was presented to society in New York City, and in August, 1882, she became engaged to Henry Leyden Stevens, the son of a family with as much money as the Joneses. The planned October wedding did not take place, however, because Stevens's mother disapproved of the match. Officially, it was Edith who broke off the engagement, and she never forgot the experience. The constricting web created by snobbery and social conventions would become one of the most important themes in her fiction.

In 1883, during what has been called a husband-hunting expedition at Bar Harbor, Maine, she met and became infatuated with Walter Van Rensselaer Berry. However, Berry left when the season was over, and he and

Edith did not meet again until thirteen years later. They then became lifelong, intimate friends, but by that time Edith had already been married for more than ten years to Edward "Teddy" Wharton, a mentally unstable but socially appropriate suitor.

First Ventures

Wharton began writing almost as soon as she could organize the letters of the alphabet into words. When she was fifteen in 1877, she secretly completed a short novel titled *Fast and Loose;* it would be published a century later. In 1878, her family privately printed a volume of her poetry titled *Verses*. Five of her poems were published in *The Atlantic Monthly* magazine in 1880. Her first published short story, "Mrs. Manstey's View," appeared in *Scribner's Magazine* in 1891.

In 1897, Wharton and architect Ogden Codman wrote *The Decoration of Houses*. Their book influenced interior design among the wealthy across the nation. However, it was her novel *The House of Mirth* (1905) that became an international best seller and put her into the literary society of author Henry James. This book is a scathing depiction of high society's disdain for Lily Bart after she falls from wealth to poverty. Wharton's 1911 novel *Ethan Frome* turned her focus to the moral choices in life on an impoverished farm in New England.

Edith Wharton. (Library of Congress)

In her early years as a professional writer, Wharton lived lavishly at her mansion, The Mount, in Lenox, Massachusetts, and traveled extensively abroad. During these years she forged intimate connections with the men who would influence the rest of her life: novelist James, American journalist Morton Fullerton, art historians Bernard Berenson and Kenneth Clark, and lawyer and diplomat Berry.

Mature Wealth

Wharton divorced her philandering husband Teddy in 1913 and moved permanently to France, where she lived in all the comfort her money could buy. She also traveled luxuriously throughout Europe and North Africa. Among her friends abroad were writers André Gide, Joseph Conrad, Louis Auchincloss, Paul Bouget, Jean Cocteau, and Marcel Proust. Her closest female friend was Sara "Sally" Norton, daughter of Charles Eliot Norton, an art professor at Harvard University.

After the sinking of the *Lusitania*, Wharton was ashamed of and angered by America's neutrality in World War I. She was active in war relief fund-raising efforts throughout the United States. She wrote short stories, articles, and poems to increase American awareness of the war, and she visited the front lines eight times in her chauffeur-driven Mercedes so that she could report on combat conditions to the Red Cross and deliver much needed food and medical supplies. In 1915, she published *Fighting France*, a work describing the devastation she witnessed.

Away from the front lines, Wharton used her wealth to establish orphanages, hospitals, nursing care facilities, and workshops for displaced workers. To raise additional funding for relief efforts, she collected and edited *The Book of the Homeless*, published in 1916. In that year, France named her Chevalier de l'Ordre National de la Légion d'Honneur, its highest honor.

After the end of World War I, Wharton renovated two houses in France: the Pavillon Colombe in St.-Brice-sous-Forêt and Ste-Claire-de-Château on the site of a seventeenth century convent near the Côte d'Azur. She also designed and planted the gardens in both locations.

Despite her interests in art, travel, gardens, and houses, Wharton's primary indulgence in her life was books. At her death, her personal library contained more than three

The Mount: Edith Wharton's Lenox Estate

The Mount was both the home and the creative work of writer Edith Wharton. After writing *The Decoration of Houses* (1897) with architect Ogden Codman, the young socialite went on to design the house and gardens in Lenox, Massachusetts. She sited the mansion on the high ground of 113 acres of farmland. The residence was completed in 1902, and for many contemporaries it became the American standard for early twentieth century good taste and design excellence.

Considered a "summer cottage" by Wharton's social set, the three-story house has forty-two rooms in sixteen thousand square feet of living space. Its architectural design is modeled on the seventeenth century Belton House in England but with some classical Italian and French touches. After a restoration investment of approximately $15 million, the white main house, augmented by a Georgian Revival gatehouse and stable and a greenhouse, has become a period museum. It is surrounded by 49.5 acres of formally landscaped grounds and gardens.

The Mount is listed on the National Register of Historic Places and has been designated a National Historic Landmark. In 2007, it won a National Preservation Honor Award. The public is allowed to tour the property from May through October, and more than thirty thousand people visit each year to take a metaphorical trip back to the Gilded Age.

Wharton considered The Mount her "first real home" and her character is reflected in the rooms that she designed and decorated and through the landscaping and formal gardens. As in her work as a writer, her design for the house focused on beauty, balance, symmetry, and attention to proportional relationships. Like her characters, the rooms seem to interact with one another as a visitor moves about the house.

In 1911, after Wharton left The Mount to live permanently in France, the property was sold. Over the years it went through various owners, including a boarding school, and the buildings and grounds eventually slumped into disrepair. In 1980, the estate was purchased and rescued by an organization called Edith Wharton Restoration, Inc. By 2009, most of the rooms had been restored with period furniture and accessories that replicate Wharton's original designs. In 2005, the restoration company purchased twenty-six hundred volumes in Wharton's personal library from a British bookseller for $2.6 million. Now shelved at The Mount, this collection of books contains many autographed first editions including, Theodore Roosevelt's *America and the World War* (1915) and Henry James's *The Golden Bowl* (1904).

thousand "well-used" volumes, most of them with markings and personal comments. These books' subjects included art, history, literature, philosophy, and science. She read and wrote equally well in English and French. Among her favorite authors were William Shakespeare, John Keats, Walt Whitman, Johann Wolfgang von Goethe, Charles Baudelaire, Elizabeth Barrett Browning, and Proust. Her readings in philosophy ranged from *The Rubáiyát of Omar Khayyám* (1859) to Friedrich Nietzsche, George Santayana, John Locke, and Charles Darwin

A life of luxury, art, and intellect did not deter Wharton from managing her business affairs with careful scrutiny and organization. She was particularly attentive to the sales figures of her books. In fact, some say she wrote *The Age of Innocence* (1920) to restore her popularity with her American readership. If that was the motivation, it worked. The novel won her the Pulitzer Prize in fiction in 1921.

Wharton was the first woman to win a Pulitzer Prize and the first, in 1923, to receive an honorary doctorate from Yale University. The latter honor prompted her last visit to the United States, even though she was elected to the American Academy of Arts and Letters in 1930.

Wharton's books have sold more copies than those of Henry James and more of her works remain in print. When films began to become popular in the United States, Wharton was particularly attentive to selling the film rights to her work. *The House of Mirth, The Age of Innocence*, and *Ethan Frome* have all been produced several times and recognized as outstanding American films. In 2008, a musical dramatization of her novel *The Glimpses of the Moon* (1922) was produced in New York City.

At the end of her life, Wharton employed more than twenty people just to run her houses. At the age of seventy-five, after a severe cerebral hemorrhage, she died on August 11, 1937. She is buried in Versailles, France.

Legacy

Edith Wharton is the author of more than forty published volumes: novels, short stories, poetry, memoirs, travel writing, and other nonfiction. Through her work, she chronicled American life in her time, particularly among the wealthiest individuals and their elite society. Her observations are precise and insightful, and her writing is spiced with irony, satire, and humor.

Wharton was a woman of great wealth who loved luxury; dressed in elegant clothes, jewels, and furs; entertained some of the finest minds of the age; and traveled extensively. However, she did not let social status and its conventions dictate her life. She was annoyed by pretense and superficiality but fascinated by the limitations and pressures that societal dictates can put upon human behavior. Her fiction deals with moral choices in settings where selfishness and social status often color the view.

Wharton had something to say to the world and she worked to say it until the last days of her life, writing while in bed and dropping the pages on the floor for her secretary to type. Her last novel, *The Buccaneers* (1938), was unfinished at her death. She stands among the greatest of American writers.

—*Carolyn Janik*

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See also: Pablo Picasso; J. K. Rowling.

William Collins Whitney

American attorney, investor, and government official

Born into a wealthy and prosperous family, Whitney substantially increased his fortune through ambition and hard work. He used his affluence to finance substantial contributions to philanthropy and public service.

Born: July 5, 1841; Conway, Massachusetts
Died: February 2, 1904; New York, New York
Sources of wealth: Inheritance; law practice; investments; horse breeding
Bequeathal of wealth: Children

Early Life

Born in Conway, Massachusetts, to a prestigious family of Puritan heritage, William Collins Whitney (WIHT-nee) was reared in affluence. His father, James Scollay Whitney, was a former army officer and was active in the Democratic Party, which included holding an important patronage position in the administration of President James Buchanan. His mother, Laurinda Collins, could trace her lineage back to the founding of the Plymouth colony. Influenced by the success of his industrialist older brother, Henry Melville Whitney, William excelled in his studies as he prepared for adult life. In 1859, he graduated from Williston Seminary and then moved on to Yale University as he prepared for a career in law. After graduating with honors in 1863, Whitney enrolled in Harvard University's law school and began practicing law in 1865.

First Ventures

Whitney decided to move to New York City as he began his legal career, primarily because he saw greater economic opportunities there. He joined the law firm of Abraham Lawrence, a much respected judge, and the young attorney soon built a reputation for honesty, diligence, and complete dedication to his clients. In 1869, he wed Flora Payne, who also came from a politically connected family, as her father was a member of the U.S. Senate from Ohio. Flora was a loving wife and the couple enjoyed a happy marriage and had five children.

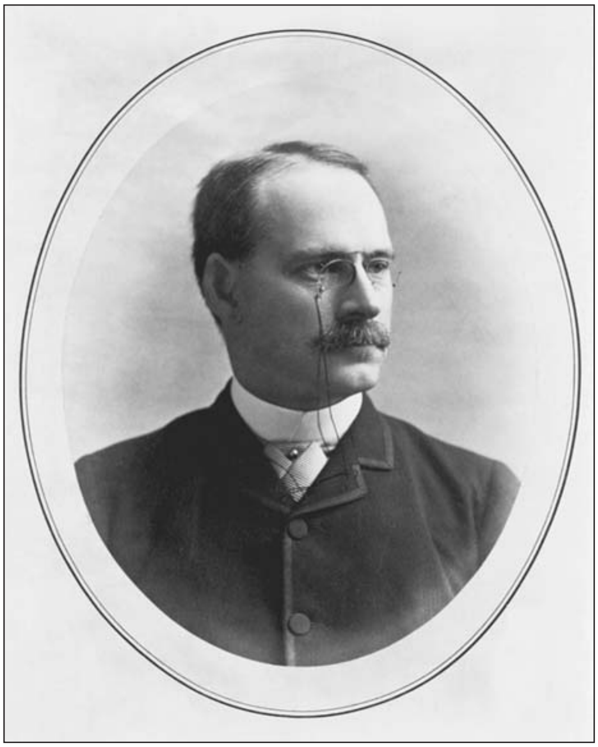
Whitney's earnings escalated with the number and affluence of his clients, and he became active in the politics of the New York Democratic Party. He led a group of ambitious reformers and helped create the Young Men's Democratic Club. This group's primary goal was to confront and defeat the entrenched corruption of the Tweed Ring and Tammany Hall.

In 1872, Whitney served as school inspector before becoming New York City's corporation counsel in 1875. As corporation counsel, he saved New York a large amount of money by skillfully contesting false claims against the city. Whitney developed very powerful mentors, such as politicians Samuel Jones Tilden and Grover Cleveland, because of his friendly personality, his incorruptibility, and his wealth and family connections.

Mature Wealth

Whitney was part of a syndicate that purchased the South Pennsylvania Railroad, and the syndicate then created a committee to oversee the railroad's financial interests, to which Whitney was appointed. He also invested in the New York and Northern Railroad Company and earned a large salary defending other railroads in legal actions. His investments were diverse, ranging from railroads to banks, utility companies, race tracks, and real estate.

His friend Cleveland was elected president of the United States in 1884 and subsequently appointed Whitney to the cabinet-level position of secretary of the navy, a post he held for the duration of Cleveland's first term. Whitney began the process of modernizing the U.S. Navy by building new armored ships, opposing political partisanship in the development of naval budgets and fighting against patronage and the spoils system. He never again held an elective or appointive political position, despite his popularity in the Democratic Party and across the nation. He survived Flora and a second wife before dying of natural causes on February 2, 1904.



William Collins Whitney. (©Bettmann/CORBIS)

Legacy

Whitney amassed great wealth, but he also served the public by improving transportation, promoting the electrification of the United States, and eliminating wasteful spending in governmental activities. The horse racing facilities he built or in which he invested, such as Westbury Stable and the Belmont Park race track, brought pleasure and enjoyment to the public. Although he lived during the Gilded Age, his goals and actions also made him part of the reform-minded Progressive Era.

—*Thomas W. Buchanan*

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See also: August Belmont; Edward C. Clark; Ogden Goelet; Andrew Mellon; John Wanamaker.

Eleanor Elkins Widener

American socialite and philanthropist

Widener was born to wealth and married into a rich family. When her son Harry died in the RMS Titanic *disaster, she used her funds to finance Harvard University's Harry Elkins Widener Memorial Library, a gift in memory of her son.*

Born: September 21, 1861; Philadelphia, Pennsylvania
Died: July 13, 1937; Paris, France
Also known as: Eleanore Elkins (birth name)
Sources of wealth: Inheritance; marriage
Bequeathal of wealth: Children; charity; educational institution

Early Life

Eleanor Elkins Widener (WI-dehn-uhr) was born into a life of privilege. Named Eleanore, she later dropped the final "e," using it only in formal documents. She was the daughter of William Lukens Elkins and Maria Louise Broomall Elkins, who had two sons and two daughters. William amassed a fortune from his interests in oil refineries, gas works, and street railroads. With his business partner Peter A. B. Widener, he purchased large tracts of land in Philadelphia.

Eleanor, the younger sister, enjoyed the social life afforded by her class and adopted the family habit of collecting art; her father had a valuable art collection. She attended Vassar College for a year before marrying George Dunton Widener (1861-1912), the son of her father's business partner, on November 1, 1883. They had three children: George Widener, Jr., Harry Elkins Widener, and Eleanor Widener. The couple and their children lived with their Widener in-laws in the 110-room Lynnewood Hall mansion in Elkins Park, Pennsylvania. Like the Wideners, who also collected art and rare objects, Eleanor and her son Harry were collectors. Eleanor had an impressive collection of jewelry. One particular set of pearls, a Christmas gift from her husband in 1909, was valued at $750,000. She also collected silver and porcelain; Harry collected rare books. To encourage her son's collecting, she purchased several important volumes, including William Shakespeare's second, third, and fourth folios for $8,700. She also spent more than $18,000 on color-plate books for his nineteenth birthday present. While Harry was a student at Harvard University, his mother continued to purchase major books for his collection. When her father died in 1903, she inherited a one-quarter share of his estate, conservatively estimated at more than $25 million.

First Ventures

In 1912, Eleanor and George were planning to build a mansion in Newport, Rhode Island. They had hired the architect Horace Trumbauer, who had designed mansions for both the Elkins and Widener families, and sailed to Europe on March 13 aboard the RMS *Mauretania* to purchase furniture for the new home. In London, the Wideners presented King George V and Queen Mary with thirty silver plates that had once belonged to Nell Gwyn, the mistress of Charles II. Eleanor also shopped for her daughter's trousseau. Their son Harry, who accompanied them, went shopping for books, purchasing several valuable volumes, including a 1598 edition of Francis Bacon's *Essays*, a treasure he said would accompany him if he were ever shipwrecked.

The family left Southampton on April 10, 1912, for New York aboard the RMS *Titanic*. Eleanor's husband and her son Harry went down with the ship on April 15. Wearing the multistrand of pearls that insurer Lloyds of London required she keep with her at all times, Eleanor and her maid Amalie "Emily" Henriette Gieger were put into a lifeboat and eventually taken aboard the RMS *Carpathia*, which docked in New York on April 18, 1912. When she returned to Philadelphia, Eleanor focused on creating memorials to her husband and son. She rebuilt St. Paul's Episcopal Church in Ogontz, Pennsylvania, near Philadelphia, as a memorial to her husband, and in 1929 she gave $300,000 to the Hill School in Pottstown, Pennsylvania, for a science building. Harry had graduated from the school in 1903.

Mature Wealth

George Widener left one-third of his multimillion-dollar estate to Eleanor. Harry willed his small estate of $150,000 to his mother, as well as his collection of thirty-five hundred rare books, with the request that the collection be given to Harvard University once a suitable accommodation for it could be found. Harry had graduated from Harvard in 1907. His mother continued to purchase books for his collection. Initially, it was thought that the Wideners would donate a wing for a future Harvard library. Although Peter A. B. Widener expressed interest in making a donation for a building at Harvard, it was Eleanor who decided that Harvard was to have a new library as a memorial for her son. The library was to be named the Harry Elkins Widener Library, and, as she continually stressed, the money for the library, close to

$3 million, was not Widener money but Elkins money; it was her gift.

Eleanor involved herself with the project from the start, hiring Trumbauer as the architect. In addition to building mansions, Trumbauer had designed a number of public buildings, including the Free Library of Philadelphia. Eleanor was involved with all of the details of the project and signed the agreement to build the library with A. Lawrence Lowell, president of Harvard, on December 31, 1912, quickly moving ahead with the project. The agreement included specific instructions concerning the Memorial Room, set aside for Harry's collection of rare books. There was to be a curator for the collection, whose salary was to be paid from a special trust fund of $150,000 in securities donated by Eleanor for the maintenance of the library's rooms and books. She named herself trustee of the trust and hired the curator. Although illness kept her from attending the groundbreaking ceremony, she laid the cornerstone on June 18, 1913, and she was present at the dedication of the building that followed Harvard's 274th commencement ceremony on June 24, 1915. At that time she handed the key to the library to Lowell. Eleanor continued her involvement in the library until her death. In 1916, she wrote Lowell, requesting that fresh flowers be placed daily by the photograph of her son; the flowers were to be purchased with money from the fund for the Memorial Room. She once told a friend that she felt closer to her son when she visited the Harry Elkins Widener Library.

During the Harvard commencement in 1915, one of the recipients of an honorary degree was Alexander Hamilton Rice, a medical doctor and an explorer, famous

The Harry Elkins Widener Library, Harvard University

In the early twentieth century, Harvard College needed a new library. The existing library, Gore Hall, could no longer house the university's growing book collection. A committee was formed to discuss a new library, and by January, 1912, the search for donors began.

Tragedy became good fortune for Harvard when Harry Elkins Widener, a Harvard graduate, died aboard the RMS *Titanic* on April 15, 1912. He had willed his valuable collection of rare books to Harvard. To house the collection and to memorialize her son, Eleanor Elkins Widener decided to build a new university library. She hired the architect Horace Trumbauer, involved herself in all of the details of the project, and paid for its construction and maintenance. Ground was broken on February 11, 1913, and on June 24, 1915, following Harvard's 274th commencement, the new library was dedicated. Archibald Cary Coolidge, the library's first director, carried the first book into the building, which was John Downame's *The Christian Warfare* (1609-1618), the only volume remaining from the library of John Harvard, the college's first benefactor. U.S. Senator Henry Cabot Lodge delivered the presentation address. Shortly thereafter, trucks began arriving with the books that had been stored off-site; by August 9, the library was established in its new home.

Widener Library is located on the former site of Gore Hall, which was demolished to provide a location for the new library. The agreement between Eleanor Widener and Harvard stipulated that the library would contain a memorial room in honor of her son and that no other memorials would be permitted in the building. However, after many Harvard alumni died in World War I, Widener changed her mind, allowing the library to contain other memorials, including John Singer Sargent's murals commemorating Harvard's war dead. There was also a provision that no structures be erected in the courts around which the library was built. Changes, additions, or alterations to the building were also prohibited.

Such restrictions became a problem over the years, as Harvard's book collections began to outgrow the building. In 1915, the library had 600,000 volumes. When Widener died in 1937, the collection had more than 1.8 million books. Some books were removed to a new home in Houghton Library. Others were stored off-site in the New England Depository, and, in 1949, some were relocated to the new Lamont Library. Books continued to be added to the Widener Library. One of these volumes was a gift from Harry Widener's brother and sister: a Gutenberg Bible.

As computers became essential to libraries, Widener Library needed renovation. Improvements, such as the addition of cabling, computer workstations, smoke detectors, and air ducts, had to be made. The best place to install new systems was in the library's light courts, but they were protected by Widener's provision against changing the building's exterior. However, the Widener family agreed that the changes could be made. In 1999, an extensive, five-year renovation began. Nine miles of electronic cable and three miles of fire alarm wires were installed, and many other upgrades were made. More than 3.5 million books were moved, cleaned, and reshelved. The Memorial Room was updated, but it continued to display fresh flowers beside the portrait of Harry Elkins Widener, book lover.

for his expeditions to South America. Rice and Eleanor formed a friendship. He was a frequent guest at her Newport estate, Miramar, which had been completed in 1915. They planned to marry in Trinity Episcopal Church in Boston, but to avoid publicity they married in the vestry of Emmanuel Church in Boston on October 6, 1915. Eleanor traveled with Rice on his trips to explore South America. In 1920, she went further up the Amazon River than any white woman had before. Over the years she supported a number of charities, notably the Newport chapter of the American Red Cross. Eleanor died of a heart attack in Paris on July 13, 1937. At her death, her estate was valued at $14,284,276.

Legacy

Eleanor Elkins Widener's principal legacy was the Harry Elkins Widener Library, which, when built, had the capacity to house more than two million books. The facility also included an area devoted to her son and his collection. The library was the largest gift that Harvard University had ever received. Widener continued to purchase volumes for her son's collection, which has been a treasure for scholars over the years. It is estimated that her gifts to Harvard totaled more than $4 million. Her devotion to her lost son became a continuing gift to generations of Harvard students and scholars.

—*Marcia B. Dinneen*

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See also: Angela Burdett-Coutts; Phoebe Apperson Hearst; Joan Kroc; Abby Aldrich Rockefeller; Laura Spelman Rockefeller; Jane Stanford; Peter A. B. Widener.

Peter A. B. Widener

American public transit magnate and investor

Widener parlayed his profits from a Civil War contract into investments that allowed him to unify the Philadelphia mass transit system and to organize several large corporations.

Born: November 13, 1834; Philadelphia, Pennsylvania
Died: November 6, 1915; Elkins Park, Pennsylvania
Also known as: Peter Arrell Brown Widener
Sources of wealth: Trade; transportation systems; investments
Bequeathal of wealth: Relatives; charity

Early Life

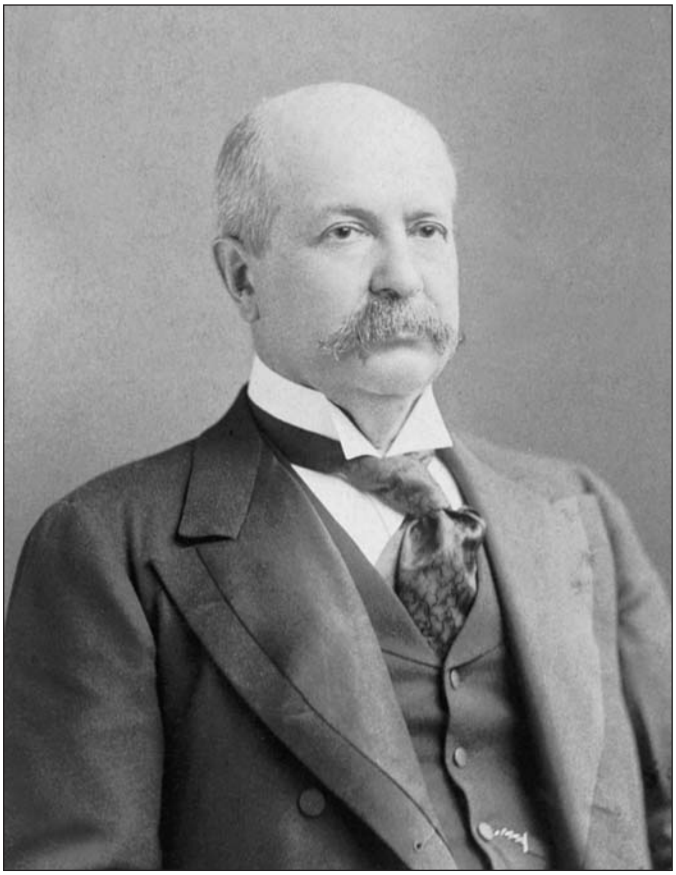
Peter Arrell Brown Widener (WI-dehn-uhr) was born in Philadelphia, Pennsylvania, on November 13, 1834, to John Widener and Sarah Fuller Widener. He was educated at the Coates Street Grammar School and then attended Central High School for two years. He dropped out of school and went to work as a butcher's assistant in his brother's meat market. A few years later, he opened his own butcher shop.

Widener became interested in politics and joined the local Republican Party. This association proved to be useful during the Civil War, when Widener received a contract to supply mutton to Union troops stationed in the Philadelphia area from Secretary of War Simon Cameron, who was also the head of the Pennsylvania Republican Party. Widener netted a profit of $50,000 from this contract.

After the war, Widener was elected to the Philadelphia Board of Education, serving from 1867 until 1870, and he was the city treasurer in 1873. He then ran for mayor but lost the election, so he decided to leave politics.

First Ventures

Widener used his profits from his Civil War contract to invest in street railways. In 1875, he became partners with William Kemble and William Lukens Elkins in the Continental Street Railway Company. Together, they set out to gain control of the Union Passenger Company, Kemble's former employer. The partners constructed railway lines parallel to those of the Union Passenger Company and provided more upscale cars. By 1880, they controlled the Union company and were carrying thirty-three million passengers per year. In 1883, they established the Philadelphia Traction Company, a holding company that they used to lease competing street railway companies. They converted the old, horse-drawn cars to cable cars, an undertaking that took more than five years to complete and cost $4 million.



Peter A. B. Widener. (The Granger Collection, New York)

Mature Wealth

By 1895, Widener's companies carried more than 100 million passengers per year. The partners upgraded to an electric trolley car system, which was cheaper to build and maintain. The partners also merged their newer companies to form the Union Traction Company, which in turn leased their older companies. By forming another holding firm, the Philadelphia Rapid Transit Company, the partners gained a monopoly over mass transit systems in Philadelphia.

However, because of the fixed fare rates imposed by the city, the firm could not keep up with needed repairs and the system's infrastructure began to deteriorate. In 1907, the city of Philadelphia took over the operations of the mass transit system. By that time, Widener and his partners had expanded their investments to other major cities, such as New York, Chicago, Pittsburgh, and Baltimore, so that by the turn of the century the men were worth about $1.5 billion.

Widener used much of his wealth to help found other companies. He became a good friend of James Buchanan Duke and joined Duke in forming the American Tobacco Company. He also invested in U.S. Steel and Standard Oil. His fortune was estimated to be between $30 and $50 million, making him one of the one hundred wealthiest Americans in history.

Widener married Hannah Josephine Dunton in 1858 and they had three sons, two of whom died in childhood. His third son, George Dunton Widener, and his grandson Harry Elkins Widener, were lost when the RMS *Titanic* went down. Saddened by their deaths and in poor health, Widener died in his home, Lynnewood Hall, on November 6, 1915.

Legacy

Widener was a principal developer of suburban street railways in many major cities in the United States. He also was a founding organizer of many key businesses. One of his finest legacies was his charitable contributions; he donated more than $11 million to various charities. He was an avid art collector and bequeathed his artworks, which included paintings by Rembrandt, Édouard Manet, and Pierre-Auguste Renoir, to the city of Philadelphia. He gave his house on Broad Street to the Free Library of Philadelphia. He endowed the Widener Memorial Industrial Training School for Crippled Children in 1906. In honor of Widener and his family, the Pennsylvania Military College changed its name to Widener College in 1972.

—*Polly D. Steenhagen*

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See also: William Henry Aspinwall; Anthony N. Brady; Daniel Drew; James Buchanan Duke; Thomas Fortune Ryan; William Thaw; Eleanor Elkins Widener.

WILHELMINA

Dutch monarch

Wilhelmina became the queen of the Netherlands at the age of ten, skillfully leading the country through two world wars. She invested her income and her inherited wealth in a number of Dutch companies, reputedly making the Dutch royal family one of the richest in the world.

Born: August 31, 1880; The Hague, the Netherlands
Died: November 28, 1962; Het Loo, the Netherlands
Also known as: Wilhelmina Helena Pauline Marie (birth name); Wilhelmina of the Netherlands; Duchess of Mecklenburg
Sources of wealth: Inheritance; investments
Bequeathal of wealth: Children

EARLY LIFE

Wilhelmina (WIHL-hehlm-mee-nah) was born on August 31, 1880, in The Hague, the Netherlands, to the aging King William III and his young second wife, Emma of Waldeck and Prymont, a reigning princely state in imperial Germany. By the time Wilhelmina was four years old, her father's three sons had died childless, and she became the sole heir to the Dutch throne. At the age of ten, Wilhelmina succeeded her father as monarch under the eight-year regency of her mother, Queen Emma. Wilhelmina was later enthroned on September 6, 1898.

Wilhelmina's education was under the supervision of her mother, who brought the best teachers to the royal court, where the young queen studied economics, Dutch public law, Dutch history, military tactics, modern languages, and her constitutional role as monarch. Wilhelmina's clear mind, excellent memory, sense of duty, and dedication emerged as qualities that served her well in her dual roles as monarch and businesswoman.

FIRST VENTURES

Wilhelmina was the sole heir to her father's estate. She invested her inheritance in forestlands, commercial property, royal residences, jewelry, art, and banking transactions. The extent of the queen's wealth has never been publicly documented. However, it is known that she inherited a considerable jewelry collection that began with the marriage of her grandfather, William II, to Grand Duchess Anna Pavlova of Russia. Anna amassed a fortune in diamonds, rubies, emeralds, sapphires, and pearls that formed an extensive collection of tiaras, parures, necklaces, bracelets, and brooches, and subsequent Dutch queens acquired additional pieces of jewelry that remain the personal property of the royal family. William I, Wilhelmina's great-grandfather and the first king of the Netherlands, invested the royal family's money in the spice, rubber, tea, and coffee trading companies based in the Dutch East Indies (now Indonesia).

Wilhelmina's inheritance was skillfully managed by her mother, Queen Emma. Wilhelmina was always frugal and never ostentatious, and the demarcation between her private wealth and her public income was never questioned. Dutch companies may have been required to pay a commission to the royal family when they were granted a charter, and the amount of money that the queen invested in Dutch companies has not been publicly disclosed.

MATURE WEALTH

In 1898, a royal charter was granted to Royal Dutch, an oil company which merged with the Shell Company of Great Britain to form Royal Dutch Shell. About 60 percent of the new corporation was controlled by Dutch businessmen, with Wilhelmina a principal investor.

Wilhelmina. (Hulton Archive/Getty Images)

Royal Dutch Shell would become the third largest company in the world. According to some reports, Wilhelmina may have owned at least 5 percent of Royal Dutch Shell, providing her with a major interest in the company's decision making. In 1910, Wilhelmina reputedly invested $750,000 of the $2 million that the Cullman Alabama Coal and Coke Company needed to transport coal from the United States to the Netherlands, affording a substantial profit for the queen.

During her lifetime, Wilhelmina retained control over the royal archives, which included an extensive collection of books, photographs, and artworks, and the royal forests. When the Dutch East Indies became the independent nation of Indonesia in 1948, Wilhelmina was forced to divest and reinvest her fortune. A principal beneficiary of this reinvestment was the Dutch bank ABN Amro, which in the early twenty-first century was the twentieth largest bank in the world. The Dutch royal residences of Noordeinde, Huis ten Bosch, Dam, Het Loo, and Soestdijk reverted to state control after Wilhelmina's death and are maintained by the Dutch government.

Legacy

Time magazine declared in 1962, the year Queen Wilhelmina died, that she was the richest woman in the world, with a personal fortune of $1 billion. *Forbes* magazine estimated the wealth of the Dutch royal family at $2.5 billion in 2003. Prince Bernhard, the husband of Queen Juliana, Wilhelmina's successor, demanded a retraction from the magazine, which downgraded the royal family's assets to just $250 million. In 2009, it was estimated that the investments of the royal family, begun by Queen Wilhelmina, exceeded $5.5 billion.

—*William A. Paquette*

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See also: Andries Bicker; Elizabeth II; Leopold II.

William II

Norman monarch, military leader, and landowner

William II succeeded his father, William the Conqueror, as king of England in 1087. His inherited wealth was substantial but was soon squandered on military campaigns and a licentious court. To raise money, he exploited in an unprecedented manner the feudal, ecclesiastical, and manorial resources of his kingdom.

Born: c. 1056; place unknown
Died: August 2, 1100; near Lyndhurst, Hampshire, England
Also known as: William Rufus; Guillaume Le Roux
Sources of wealth: Inheritance; conquest; real estate
Bequeathal of wealth: Children

Early Life

William II was born around 1056 and was the third of four sons of William the Conqueror and Matilda of Flanders, the daughter of Baldwin V, count of Flanders. All of the chroniclers agree that his nickname, William Rufus, was derived from either the color of his hair or a ruddy complexion. Little is known about his youth, though it seems likely that his education was entrusted at an early age to the monk scholar Lanfranc of Bec, who became the archibishop of Canterbury in 1070. William II, however, was not destined for a career within the church. Like his brothers and father, he was a soldier, adventurer, and plunderer.

William II. (Hulton Archive/Getty Images)

First Ventures

As a younger son who was not expected to ascend the throne, William II did not garner much attention from chroniclers in his youth. However, there is every reason to believe that he received the requisite training in arms and horsemanship expected of a Norman knight. Between 1078 and William the Conqueror's death in 1087, William II, now in the prime of life, participated in a number of campaigns on the Continent and in England against the Welsh and the Scots with his father and eldest brother Robert Curthose, the heir to the duchy of Normandy. While the family was at times able to present a united front, there were simmering differences which sometimes erupted into youthful pugilism and other times into open conflict. The differences between the William the Conqueror and his son Robert, who was seeking greater independence, were serious enough to work to William II's advantage in years to come.

Mature Wealth

In September, 1087, William the Conqueror suffered a fatal injury while campaigning on the Continent. On his deathbed, he made arrangements for succession to the monarchy. Grudgingly, he conceded Normandy, where the rule of primogeniture was firmly established, to Robert, while his youngest son, Henry, received a large sum of money. England, with its great wealth, was reserved for William II, the faithful son who most closely resembled his father in appearance and temperament.

William wasted no time in taking possession of his inheritance. He crossed the English Channel and was crowned king of England on September 26, 1087, in Westminster Abbey. He also moved quickly to secure the royal treasury at Winchester, where, according to the *The Anglo-Saxon Chronicle*, he beheld a vast fortune in gold, silver, and other precious objects. Here, William was also able to inspect the Domesday Book (1086), a comprehensive inventory of England's wealth, including its fiefs, manors, mills, farms, ploughs, and other appurtenances, that was compiled only a year earlier by his father's government. The exact purpose of this unique survey is not known, though it is reasonable to suppose that it was conducted to satisfy William the Conqueror's curiosity about his new possessions and to serve as a basis for future taxation. Although William II had much to learn about his new country, his resources at the beginning of his reign were vast.

The transition from a junior member of William the Conqueror's family with a dubious future to the English king was carried off without incident, owing in large part to the unflagging support of his former mentor, Lanfranc, and the goodwill William II achieved through the use of his father's fortune to curry favor with the Anglo-Norman baronage and the Church. However, William's euphoria over his newly acquired wealth and possessions was short-lived. He knew all too well that his ascension would soon be challenged by his brother Robert, duke of Normandy, and Robert's supporters. Between 1088 and 1096, William fought a confused series of wars against Robert and his vassals, while attempting to maintain his boundaries to the west and north against the Welsh and the Scots. The great rebellion of 1088, led by Odo of Bayeux, William the Conqueror's half brother and one of the heroes of the Battle of Hastings in 1066, resulted in a dramatic victory for William II. Enemy castles were seized, while some of the rebels, including Odo, were disinherited and banished. Even Henry, William II's younger brother, who had tacitly supported Robert, was denied the opportunity to take up family lands in England allegedly promised to him by his mother.

With England secure, William II was now free to return to his homeland, where he used his great wealth to gain widespread support among the Norman nobility. What he could not achieve through the use of money, intrigue, and negotiations was accomplished on the battlefield. On occasion, William and Robert collaborated, as they did in 1091,when Henry was besieged at Mont St. Michel, and again when faced with uprisings in Wales and Scotland. These periods of peace and cooperation, however, were infrequent. William's problems with his older brother were not resolved until Robert, influenced by Pope Urban II's sermon at Clermont in 1095, took the cross and embarked on the First Crusade. To fund the venture, Robert was forced to pawn his duchy to William for the astronomical sum of 10,000 marks of silver. This transaction worked to the advantage of both parties. Robert would eventually return from the Crusade a hero with a wealthy wife. William, for his part, acquired the right to the revenues of the duchy of Normandy for the next three years. In his brother's absence, William now reigned over a wealthy Anglo-Norman empire.

William's life, however, was not to have a happy ending. When Lanfranc, always the voice of reason, died in 1089, William was freed of all restraints. A chronicler, in his consideration of this important event, referred to William as a "crop of evil increased to ripeness." Thereafter, his lust for power and his unbridled cupidity alienated both the nobility and the Church. Never especially reli-

Pillaging and Great Wealth

William II assumed the English throne in 1087 with great promise. From his father, William the Conqueror, he inherited a unified kingdom; the unstinting support of Lanfranc of Bec, the archbishop of Canterbury; a bloated treasury; and, according to the inventory in the *Domesday Book*, the promise of a substantial annual revenue from royal estates scattered throughout the land. Unfortunately, within a few years the unity of the kingdom had been compromised by rebellion, Lanfranc was dead, and much of his father's money had been dissipated.

The monastic chroniclers who wrote a few years after William's death in 1100 did not spare him the verbal lash. According to these accounts, William was guilty of many crimes, including blasphemy, immoral conduct, and avarice, among others. William of Malmesbury, the most objective of the chroniclers, says that the king, desperate for money, now "turned his thoughts to rapine." Ordericus Vitalis, an Anglo-Norman monk, accused William of unleashing his knights on the peasantry, snatching food from their very mouths, while the writer of *The Anglo-Saxon Chronicle* repeatedly bemoaned the condition into which the country had been plunged under William's odious practices, citing bad weather, famine, and "excessive taxation."

While allowances have to be made for the chroniclers' hyperbole, even modern historians liken the king's presence in England between 1088 and 1096 to an army of occupation. Thereafter, when Robert, the duke of Normandy and William's older brother, embarked on the First Crusade, William was free to pillage Normandy as he had plundered other areas of his realm. Through ruthless taxation, Church vacancies, and exploitation of the feudal obligations, William amassed a fortune in excess of £60,000 per year. However, his great wealth and power came at the expense of his reputation, and if the Church chroniclers are to be believed, his salvation.

gious, William kept the archiepiscopal see of Canterbury vacant for four years, pocketing the considerable revenue associated with the office. Indeed, at one time or another eleven bishoprics and at least thirteen abbeys were made to suffer lengthy vacancies. Although such things are difficult to calculate, it has been estimated that William derived at least £31,000 from these vacancies. It was not until 1093, when William fell gravely ill and feared death, that he recanted and appointed Anselm, the abbot of Bec, to be the new archbishop of Canterbury. This spiritual awakening was brief. William and Anselm, a strong advocate of papal supremacy who later attained sainthood, quarreled incessantly until Anselm fled the country in 1097.

Although William was careful to ensure the loyalty of the great lords through gifts and grants of one kind or another, the nobility also groaned under the weight of an exploitative king. When William purchased his brother's duchy in 1096, he did so through the imposition of burdensome taxes. Moreover, in addition to the profits derived from his landed estates, William looked for every opportunity to bend the feudal obligations to his monetary advantage. The heirs of great lords were sometimes required to repurchase their fiefs instead of paying a reasonable relief, while heiresses and widows were sold to the highest bidders. In addition to William's estimated annual income of £29,000, he gleaned incalculable profits and booty from successful military campaigns carried out on the Continent in his brother's absence between 1097 and 1099. The money bilked from the Church and the nobility merged with the normal sources of income to make William one of the wealthiest, and, at the same time, one of the most despised men of his day. When he died in a hunting accident on August 2, 1100, few mourned his passing.

Legacy

According to the monk chroniclers, William II was a bad king—an evil man who, when his life ended tragically, had received God's judgment. These chroniclers could never forgive William for his treatment of the archbishop, the usurpation of Church prerogatives, and the systematic spoliation of Church property and revenues. This dark picture has endured, largely unaltered, into the modern era. However, in the late twentieth and early twenty-first centuries historians sought a more balanced approach to his reign. While it is not possible to totally rehabilitate William's image, these historians describe him as a competent captain and an able administrator. They maintain that it was William's duty to protect the Crown against the schemes of a reform-minded Church. As for the outrageous exactions which brought him such great wealth, revisionists argue that this money was needed to appease and to subsidize the great lords of the realm, to support a growing government and an active court, and to fund his far-flung military campaigns.

—*Larry W. Usilton*

Further Reading

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See also: Odo of Bayeux; Alanus Rufus; First Earl of Surrey.

Oprah Winfrey

American media magnate

Winfrey has created a powerful media empire, using it to aid others and mold society. She has reshaped daytime talk programs, making their content somewhat more serious, and she has influenced society with a variety of initiatives, from her book club to her endorsement of Barack Obama in the 2008 presidential election.

Born: January 29, 1954; Kosciusko, Mississippi
Also known as: Oprah Gail Winfrey
Sources of wealth: Media; entertainment industry
Bequeathal of wealth: Charity

Early Life

Oprah Winfrey (OH-prah WIHN-free) was born in Mississippi. Her parents had intended to name her after Orpah, a Biblical figure, but her name was changed to Oprah. She grew up in extreme poverty on a farm with her grandmother. Winfrey excelled intellectually at an early age and was reading by the time she was three. She also displayed some of the talents that would later be evident on her television program, when, at the age of five, she began interviewing her dogs and other pets and speaking at churches and other gatherings. After she moved to Milwaukee, Wisconsin, to live with her mother, Winfrey was sometimes the victim of sexual abuse. She went to Nashville to stay with her father in her early teen years, and she excelled in school and in public speaking. After winning several beauty contests and appearing on local television programs, she became well known to local television viewers. She graduated from college in 1976 and moved to Baltimore to be a co-anchor for a television news program.

First Ventures

In Baltimore, she first appeared on the evening news and then presented local news updates during nationally televised morning programs. After she cohosted a morning talk show, she realized this work would be her lifetime occupation. In almost seven years as cohost, her show covered many different topics and ranked at the top of the ratings, even beating the nationally syndicated talk show hosted by Phil Donahue, who had revolutionized the talk show format. In 1984, the success of Winfrey's Baltimore program landed her a job in Chicago, where a local television station was searching for a replacement for its low-rated local morning program. Winfrey's producer had been sending Winfrey's audition tapes to television stations, and the Chicago station manager saw one, noted that this show was beating Donahue, and hired Winfrey and her producer. The job in Chicago moved Winfrey onto a larger stage and would lead to her national fame.

Mature Wealth

Winfrey quickly reversed the fortune of her new television show. Within a year, her ratings pulled ahead of Donahue's, and within two years the program was renamed *The Oprah Winfrey Show,* increased to an hour-long format, and expanded from local to national broadcast. At the same time, Donahue relocated his Chicago-based program to New York, explaining that he wanted to be closer to his wife. However, many observers suggested that Winfrey had hastened Donahue's departure

Oprah Winfrey at a news conference in 2010. (AP/Wide World Photos)

Oprah's Angel Network

Oprah Winfrey founded Oprah's Angel Network in 1997. She wanted the organization to provide scholarships for the Boys & Girls Clubs of America and to assist the work of Habitat for Humanity. After it was founded, however, the organization took on a life of its own, and by 2009 and it had raised nearly $100 million.

Oprah's Angel Network has been involved in a wide variety of projects, with its efforts focused on four areas: education, leadership, basic rights, and communities. Among its education programs, the network has helped build sixty schools in thirteen countries, providing education for thousands of children in rural areas. One of these schools is the Seven Fountains Primary School in KwaZulu-Natal, South Africa, which is a model for other African education programs.

The network worked with another organization, Free the Children, to create O Ambassadors, a school-based program that aims to inspire young people to become compassionate and knowledgeable citizens. In addition, the organization since its founding has awarded more than $8 million in grants to groups that promote basic human rights.

Oprah's Angel Network has provided relief to areas devastated by catastrophic events. It worked to rebuild homes and businesses and constructed a vocational training center in Sri Lanka after the country was struck by a tsunami in 2004. Similar assistance was provided to victims of Hurricane Katrina, with the network enabling more than one thousand people to return to their homes and helping to build or restore more than four hundred houses. After a major earthquake struck Haiti in 2010, the network contributed $1 million to the American Red Cross to assist the relief effort.

Oprah's Angel Network has been involved in some of the world's most troubled regions. For example, it helped to construct schools and teach computer skills to people in Afghanistan. In addition, the network helps provide education for Afghani women, teaching them basic reading and math skills, as well as providing information about health care and democracy. The organization has built schools in Pakistan and has been involved in educational efforts in the Caribbean and the United States. In the latter country, the organization supports a program aimed at reducing violence among young people through counseling and rallies and by encouraging former gang members to speak to young people in their communities.

from Chicago, which would have been a significant coup. Regardless of how much of a role she played in forcing Donahue's move, Winfrey was doing well.

Winfrey began to gain more control of her show. The producers allowed her to ask her guests the questions that occurred to her while she was on the air, rather than read prepared questions from cue cards. This new spontaneity helped her bond with her viewers, particularly with women, and she became less packaged and more human. She appealed to viewers because she appeared to be one of them. Winfrey also had a variety of personal issues that connected her to the public. Her battles with her weight have been highly publicized in the tabloids, but this struggle gained her sympathy from people who had also fought to lose weight.

Winfrey's show has always featured a wide variety of guests, ranging from well-known celebrities to people who are outside the mainstream of society. Occasionally, her guests display unusual behaviors. For example, in 2005, actor Tom Cruise gained notoriety for jumping on Winfrey's couch during a guest appearance. She featured nudists who, not surprisingly, appeared naked on the program, although the camera did not show their nudity. Despite these and other incidents, Winfrey's program has generally avoided the sort of "trash TV" confrontation that was a fixture on other talk shows, notably the program hosted by Jerry Springer.

The appeal of her show was its ability to capture Winfrey being herself, managing to sympathize with her audience without patronizing it. This is a difficult line to walk, but Winfrey excelled. During a program about incest, she confessed to being molested, and many other incest survivors were able to come forward after that. Her show was also critically acclaimed, winning several Daytime Emmy Awards and an Emmy Lifetime Achievement Award. In 2009, Winfrey announced that she would quit the program in September, 2011, twenty-five years after it premiered on national television.

Besides being a television host, Winfrey is also a television producer, magazine publisher, and actor. She owns her own television production company, Harpo, Inc., which produced her program. Harpo has also produced a variety of movies, including *The Great Debaters* (2007), and it has produced other television talk programs, including *The Rachel Ray Show* and *The Dr. Phil Show.* In addition, Winfrey publishes *O, the Oprah Magazine*, and she was one of the founders of the Oxygen cable television network. In 2008, Winfrey and Discovery Communications formed OWN: The Oprah Winfrey Network, a cable television channel that was scheduled to debut on January 1, 2011. She was nominated for an Academy Award for Best Supporting Actress for her role in *The Color Purple* (1985), and she has appeared in other films and has voiced the characters in several animated films.

Winfrey actively works to help others and has been an active philanthropist. Some of her efforts have been well publicized, such as her gift of a new Pontiac automobile to each member of the studio audience at one of her television programs. In the 1990's, she launched Oprah's Book Club to encourage students and others to read. She founded Oprah's Angel Network, a philanthropic organization, and the Oprah Winfrey Leadership Academy for Girls in South Africa.

Legacy

Winfrey can boast of significant accomplishments in two areas. The first is her philanthropy. Oprah's Angel Network, promoted on her show and funded in part by public donations, has performed charitable activities worldwide, from building schools in developing countries to sponsoring summer camps for children who have lost their limbs. She supported efforts to rebuild the areas devastated by Hurricane Katrina. Winfrey has also helped teachers and assists in the Use Your Life Award, which recognizes distinguished educators.

Winfrey's second legacy is her restructuring of American media. As a result of her television program, talk show hosts are expected to present more serious subjects and to be more engaged with their viewers and guests. She has proven that a black woman can be a media mogul, and she has reshaped public images of women and African Americans as much as she has altered the image of talk show hosts. Her media legacy will probably be as long lasting as her philanthropy.

—*Scott A. Merriman*

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See also: Walter Annenberg; Barbara Cox Anthony; Anne Cox Chambers; John H. Johnson; Robert L. Johnson; Rupert Murdoch; Steven Spielberg; Ted Turner; Tiger Woods.

Tiger Woods

American professional golfer

After becoming a professional golfer at age twenty, Woods became a multimillionaire overnight, breaking previous earnings records in that sport, primarily from product endorsements. Throughout the 1990's and 2000's, his popularity and wealth continued to grow, exceeding the earnings of superstar athletes in more popular sports, such as football and basketball.

Born: December 30, 1975; Cypress, California
Also known as: Eldrick Tont Woods
Sources of wealth: Golfing; product endorsements
Bequeathal of wealth: Charity

Early Life

Eldrick Tont Woods was born on December 30, 1975, to Earl and Kutilda Woods, and was immediately nicknamed "Tiger" by his father. Earl Woods had recently taken up golf, and from infancy Tiger was fascinated by the sport. In 1991, he became the youngest winner of the U.S. Junior Amateur tournament at age fifteen. While enrolled at Stanford University, he again made history in 1996 by becoming the first golfer to win the U.S. Amateur tournament for three consecutive years. Already famous at the age of twenty, Woods made his professional debut at the 1996 Greater Milwaukee Open tournament.

Tiger Woods follows one of his shots during the U.S. Open championship in June, 2010. (AP/Wide World Photos)

First Ventures

When Woods announced in 1996 that he was turning professional, he had already chosen the International Management Group (IMG) to represent him. IMG had prenegotiated an endorsement deal with Nike, a shoe and clothing manufacturer, for $40 million over five years, including a $7.5 million signing bonus. Woods was also paid $3 million over three years to use Titleist golf balls, gloves, and bags, and shortly thereafter he concluded another deal to use that company's golf clubs. To maximize his earnings, Woods formed a corporation called ETW and moved from California to Florida to avoid paying state income taxes. Although his income came primarily from product endorsements, his winnings from the Professional Golfers' Association of America (PGA) tournaments were also significant. In 1997, only his second year as a professional, Woods led all PGA money earners by winning more than $2 million in tournaments. By the mid-2000's, Woods's prize money often exceeded $10 million per year.

Mature Wealth

As Woods's popularity continued to increase, bringing many new fans to the sport of golf, his endorsement deals also grew. In the late 1990's, his name was attached to a golf video game from Electronic Arts that eventually was adapted for platforms including PlayStation, Xbox, Nintendo, Wii, and the iPhone. Nike paid increasing amounts of money to continue their lucrative association with Woods, in recognition of his role in helping the company's fledgling golf division secure a significant share of the global golf apparel and equipment markets. Woods has also teamed with American Express, General Mills, Gillette, and Buick, among other companies.

In addition to straightforward endorsements, in the 2000's Woods began to become more personally involved in product development, giving him more control over quality and potential earnings. In 2005, the Swiss company Tag Heuer introduced a luxury wristwatch that Woods had helped develop specifically for golfers. In

2006, Woods formed a company, Tiger Woods Design, and he began working on design projects for golf courses in Dubai, Mexico, and the United States. In 2008, Woods and PepsiCo introduced Gatorade Tiger, a new variant of the company's popular sports drink. Over the years, Woods has also purchased several valuable waterfront properties in Florida, including a new multimillion-dollar residence upon his marriage to Elin Nordegren in 2003.

LEGACY

Tiger Woods's initial endorsement deals with Nike and Titleist, agreed to before he had played a single round of professional golf, were groundbreaking, particularly for a sport that historically had been popular only among wealthy Caucasian men. Woods's multiracial background and easygoing personality have contributed to his immense popularity, which is widely considered to be the driving force behind the increased public interest in professional golf and the significant rise in PGA prize money offered during the 2000's. In addition to being an athlete, Woods has become a global industry, carefully choosing which products and companies to support and becoming increasingly involved in product development. In 2008, *Forbes* magazine projected that Woods would become the world's first billionaire athlete by the early 2010's, which is particularly remarkable considering that golf is not as popular worldwide as many other sports.

However, there was a downside to Woods's immense wealth and celebrity. The golfer had enjoyed a spotless reputation until late 2009, when several women claimed to have had affairs with Woods. On February 19, 2010, Woods publicly apologized to his wife, family, business associates, and fans, and he pleaded with the media to leave his wife and children alone. Woods had not played golf during the highly publicized controversy, but in April, 2010, he returned to the game when he competed in the 2010 Masters Golf Tournament. On August 23, 2010, Woods finalized his divorce from his wife.

—*Amy Sisson*

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See also: Mark Cuban; John H. Johnson; Robert L. Johnson; Joan Kroc; George Steinbrenner; Ted Turner; Oprah Winfrey.

F. W. WOOLWORTH

American retail magnate

Woolworth built his multimillion-dollar fortune from his chain of five-and-dime stores, at which he offered common items to customers at low, fixed costs. His stores attracted low-income buyers and anyone else who wanted a bargain and helped create a new type of merchandising.

Born: April 13, 1852; Rodman, New York
Died: April 8, 1919; Glen Cove, New York
Also known as: Franklin Winfred Woolworth
Sources of wealth: Retailing; investments
Bequeathal of wealth: Church; charity; educational institution

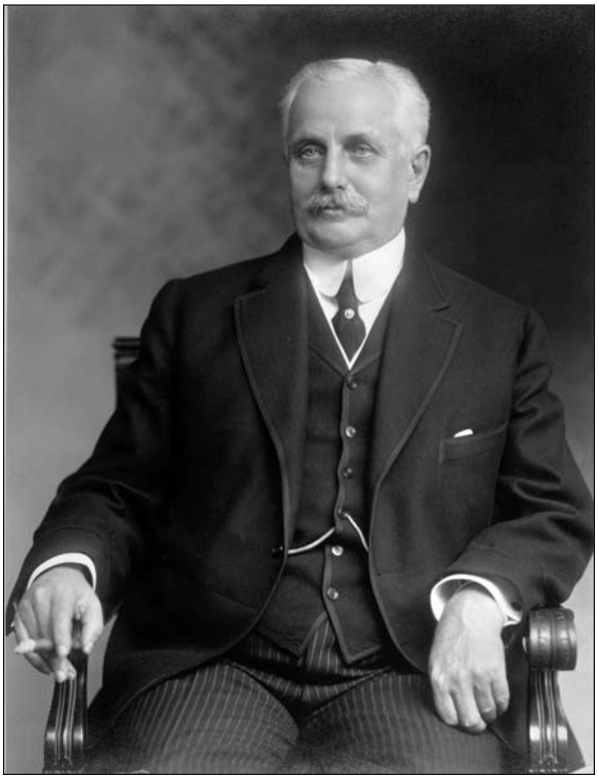
EARLY LIFE

Franklin Winfred Woolworth was the oldest of two boys born to John Hubbell Woolworth, a potato farmer, and Fanny McBrier Woolworth. At the age of seven, his family moved to Great Bend, New York. In his childhood, Woolworth and his younger brother would play "store" in their dining room, placing items on a table inside their home. Woolworth admired the clerks behind the counter at town stores. At sixteen, he left public school to attend a commercial school with aspirations of becoming a merchant or a railroad engineer. An inexperienced twenty-one-year-old, Woolworth went to work for a trial period of three months without pay for Augsbury & Moore's dry goods store. He discovered his skill was in store display and window dressing, not in sales. He worked for two years for $6 per week, later raised to $10.

FIRST VENTURES

While Woolworth worked for Augsbury & Moore, he responded to a request by his boss, William Moore, to sell some small fabric remnants and other poor-selling items for whatever price he could get for them. Woolworth set up a table and posted a sign that any article on his table cost 5 cents. To Moore's surprise, customers rushed to buy all the products on the table. Moore noted that Woolworth's sales approach worked, and Moore became more interested in it when a visitor told him that five-cent stores were successful in the West. Moore backed Woolworth in opening a five-cent store when Woolworth had no funds.

This first store in Utica, New York, did not perform well, but another in Lancaster, Pennsylvania, was successful. After a store in Harrisburg, Pennsylvania, failed, Woolworth opened a five-and-ten-cent store in Scranton, Pennsylvania, with his brother as manager, that was a great success, and his brother eventually became a millionaire. By 1879, Woolworth had three failed and two successful five-and-ten-cent stores; between 1879 and 1889, he opened twelve additional stores. He knew he needed to purchase merchandise in volume at low prices so he could afford to sell these items for only 5 and 10 cents. From 1895 to 1900, Woolworth continued to open stores across the United States. In 1889, his shops sold a total of $246,782 worth of merchandise; by 1899, sales volume had risen to $4.5 million. In 1905, Woolworth had amassed $10 million in capital.



F. W. Woolworth. (The Granger Collection, New York)

Mature Wealth

Woolworth went international with his five-and-ten-cent stores, opening one in London in 1909. His business expanded to more than three hundred stores. However, Woolworth was not the only entrepreneur in the five-and-ten-cent store business. Other American businessmen provided friendly competition using the same strategy. Some of these competitors were familiar to him, such as his brother C. S. Woolworth, his cousin Seymour H. Knox I, Knox's partner Earle P. Charlton, and Fred Kirby, and F. W. Woolworth remained friendly with these merchants. Woolworth recognized that to be successful in the five-and-ten-cent market, merchandise had to be purchased in large quantities in order to keep costs low and to provide an increased margin of profit. He knew that his chain's financial gain would increase if he and his rivals pooled their purchasing orders for inventory and agreed not to cross into one another's sales territories.

However, some of other merchants were less amicable, including his cousin Herbert G. Woolworth, who apprenticed under F. W. Woolworth but branched out on his own. Other competitors included the Titus Supply Company, Rothschild & Company, McCrory Stores, S. S. Kresge Co., and S. H. Kress & Co. Woolworth realized that none of these smaller operations posed a formidable threat while operating independently, but that they could do damage to his chain if they worked together.

In 1911, F. W. Woolworth, Knox, Kirby, Charlton, and C. S. Woolworth met to discuss how they could expand their individual businesses without invading one another's sales territories. F. W. Woolworth's suggested a merger. The other men expressed interest, but some time passed before they could reach a compromise. F. W. Woolworth insisted that the merged company have his name on its stores, as he had the most popular trademark. In November 2, 1911, these businessmen formed the F. W. Woolworth Company with $65 million in capital stock, divided into $50 million in common stock and $15 million in preferred stock, to be sold on the New York Stock Exchange, as well as overseas. F. W. Woolworth was the firm's president and held more than 50 percent of its stock. The merged company operated 596 five-and-ten-cent stores in thirty-seven states.

The F. W. Woolworth Company was managed by a board of directors with twenty-one members. This company was one of the first to decentralize the management

The Woolworth Building

With his business expanding both geographically and financially, F. W. Woolworth decided to construct his dream building for his office headquarters and for other business tenants in New York City. He considered numerous locations in lower Manhattan, eventually selecting a site on Broadway near Park Place.

Woolworth desired an elegant building with a unique neo-Gothic design, so he employed architect Cass Gilbert, well know for his classic stone work. The construction of this terra-cotta-covered, 792-foot skyscraper, almost one-sixth of a mile in height, began in November, 1911. The completed structure, dubbed the "Cathedral of Commerce," opened in April, 1913, and was the tallest building in the world until construction of the Chrysler Building in 1930. The Woolworth Building was sixty stories high and featured fifty-seven floors, a three-story tall entrance, walls of marble from the Isle of Skyros off the coast of Greece, and an extravagant lobby with a stained-glass dome, mosaics, wall murals, and a marble staircase. To maximize natural lighting, Gilbert designed the building as a U-shaped structure, which would allow the projected fifteen thousand employees to work in offices facing outward.

Woolworth's primary concern for his "Skyline Queen" was safety. The structure was made of steel and brick, without any flammable materials. The building was designed to withstand a two-hundred-mile-per-hour hurricane without damage and to protect against lighting strikes, with grounded copper cables connected to the copper roof. Stairways were enclosed spaces in order to minimize the effect of a fire. A fire pump in the subbasement allowed additional defense against fire with its ability to push five hundred gallons of water to the fifty-eighth story. Workers could access their offices by any of the thirty elevators designed to carry them with modern speed and maximum safety. Each elevator car contained a telephone connected to the Bell Telephone Company. The skyscraper also employed departments of police and detectives, fire, and cleaning and repair maintenance, as well as a power plant.

After a disagreement with banker Henry Goldman, Woolworth paid $13.5 million in cash for the lavish building project. Woolworth later earned revenues of $200,000 each year from visitors who paid to view the city from the building' s fifty-fourth floor public observation area.

The Woolworth Building was declared a National Historic Landmark in 1966. A $20 million renovation began in 1977 and was completed in 1981. The building has been featured in several films, including *Enchanted* (2007) and *Kramer vs. Kramer* (1979), and has been referenced in books and poems. The structure also served as the headquarters for *Mode* magazine in the television series *Ugly Betty*, and Columbia Records once leased space for a recording studio there.

The "Cathedral of Commerce" was the site of the Woolworth company's headquarters until the firm declared bankruptcy in 1997. After eighty-five years of ownership by the Woolworth company, the firm's successor, the Venator Group, sold the building to the Witkoff Group, a real estate developer, for $155 million in 1998. In 2005, the building was purchased by the Greater Haverhill Foundation for $1.5 million; this nonprofit organization planned to preserve the historic structure and sell it to a downtown developer. The building closed to the public in 2001 but reopened for limited tours in 2007.

of its stores. The stores were organized into eight districts, each with its separate staff and district office. The board adopted the red mastheads on the front of F. W. Woolworth's stores for all of the company's shops. After the corporation was organized, Woolworth turned to his next major project, constructing the Woolworth Building in New York City to house the headquarters of his firm. He personally financed the project with $13.5 million in cash, building a Gothic skyscraper in Manhattan that for years stood proudly as the tallest building in the world.

When Woolworth died on April 8, 1919, his company operated 1,050 stores. The year before his death, the chain garnered $107 million in revenue. His personal fortune was valued at around $65 million.

Legacy

F. W. Woolworth made his fortune in a business that appealed to the common person: the sale of general merchandise at low, fixed prices, with no haggling or bargaining. His life demonstrated how an American without social advantages could become wealthy through hard work and imagination. Before his death, Woolworth honored his parents by building and endowing the Woolworth Memorial Episcopal Church of Great Bend. He left his fortune to his wife, who had dementia.

Keith Elliot, director of public affairs for Woolworth's company, noted in his paper "Why Corporations Give: A Case Study of F. W. Woolworth Company, Limited" that both the firm and its namesake supported corporate contributions to charity. F. W. Woolworth believed these donations should be based on the needs of the communities in which his customers lived and worked, which would enable his corporate contributions to benefit the people who shopped at his stores. This policy would be adopted by many other businesses that make charitable contributions to the communities in which their firms operate.

—*Marylane Wade Koch*

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See also: Marshall Field; Barbara Hutton; Julius Rosenwald; Alexander Turney Stewart; Nathan Straus; John Wanamaker.

William Wrigley, Jr.

American chewing gum magnate

Wrigley made his fortune in the chewing gum industry, using his wealth to become the owner of the Chicago Cubs baseball team and to purchase Catalina Island, off the coast of Los Angeles.

Born: September 30, 1861; Philadelphia, Pennsylvania
Died: January 26, 1932; Phoenix, Arizona
Also known as: William Mills Wrigley, Jr.
Sources of wealth: Manufacturing; sale of products; investments; real estate; sports franchise
Bequeathal of wealth: Spouse; children

Early Life

William Mills Wrigley (RIHG-lee), Jr., was born on September 30, 1861, in Philadelphia, Pennsylvania. His parents, William Wrigley, Sr., and Mary Ann Ladley Wrigley, had married on December 3, 1860. William, Sr., was a soap maker, and in 1870 he founded the Wrigley Manufacturing Company, which made Wrigley's Scouring Soap. William, Jr., and a friend ran away to Manhattan at age eleven, where William worked selling newspapers. He soon returned to Philadelphia and quit school at age thirteen to work for his father. He made $1.50 a week stirring a vat of liquid soap in the factory and later became a soap salesman. As a teenager, Wrigley traveled from city to city, convincing merchants to carry Wrigley's Scouring Soap in their stores. He married Ada Foote in 1885, and their daughter Dorothy was born in July, 1886; eight years later, the couple had a son, Philip.

First Ventures

In 1891, Wrigley and his family moved to Chicago. He had $32 in his pocket when they arrived, and he borrowed $5,000 from his uncle, William Scotchard. The only condition of the loan was that Wrigley would make his cousin a partner in the William Wrigley Jr. Company. This firm soon began selling Wrigley's Scouring Soap, and Wrigley began offering free gifts with the purchase of his product. Initially, he offered cans of baking powder, but he soon found that baking powder was more popular than scouring soap. He then began to sell baking powder instead. He continued offering premiums, including two packs of chewing gum with each purchase. Wrigley again found that his premium was more marketable than his product. In 1892, he contracted the Zero Manufacturing Company to produce his chewing gum. Wrigley's first two gum products were Lotta Gum for children and men and Vassar gum for women.

William Wrigley, Jr. (©Bettmann/CORBIS)

Mature Wealth

Wrigley traveled by train around the country, trying to sell his gum to store owners. During the first year, he spent 187 nights on the road. The company sold many different types of gum, including Juicy Fruit, which was introduced in 1893. The following year, Wrigley started selling his own brand of Spearmint gum, a product that no other company had been able to make profitable. Wrigley was involved in all aspects of his company, even designing the now-famous Spearmint gum arrow wrapper.

The chewing gum industry at the end of the nineteenth century was a highly competitive business. In 1899, the six largest gum makers in the country joined together to create a chewing gum trust. Wrigley was invited to join, but he declined, determined to make it on his own. The heavy competition, however, took a toll on Wrigley's business, which in the early years was often close to bankruptcy.

Wrigley spent large amounts of money on premiums and advertising. He placed advertisements in magazines and newspapers and produced posters. His sales motto became "Tell 'em quick and tell 'em often." During an economic downturn in 1907, Wrigley spent $284,000 on advertising, which in more prosperous years would have cost $1.5 million. Most of these advertisements promoted Wrigley's Spearmint gum. He added a variety of free gifts, including fishing tackle, lamps, coffee makers, cash registers, store displays, cutlery, guns, razors, and cookbooks. In 1909, the William Wrigley Jr. Company earned more than $1.34 million in sales revenue. By the following year, Wrigley's Spearmint was the best-selling gum in the United States.

In 1910, Wrigley expanded his business into Canada. The following year, he bought out the Zero Manufacturing Company and began creating his own products. Doublemint gum was introduced in 1914. Wrigley further expanded his company to Australia in 1915 and Great Britain in 1927. Businessman L. P. Larson sued Wrigley in 1911 for alleged trademark infringement regarding the trademark of Wrigley's Spearmint gum. After seventeen years of litigation, the courts ordered Wrigley to pay damages of $1.9 million.

Wrigley was a baseball fan, and he invested in the Chicago Cubs in 1917. He purchased Catalina Island for $2 million in 1919. This rocky island off the coast of Los Angeles is twenty-two miles long and eight miles wide. To promote tourism on the island, he held the Wrigley Ocean Marathon in 1927, awarding $25,000 to the first man who would swim to the island from the mainland; the first woman to complete the twenty-two-mile swim would receive $15,000. Canadian George Young was the only person to finish the race out of a field of 102, completing the swim in fifteen hours and forty-four minutes; the two women who came the closest each received $2,500. The Chicago Cubs used the island for spring training from 1921 until 1951, with the exception of the years during World War II. Wrigley became the majority owner of the Cubs in 1924, and three years later, the team's stadium in Chicago was renamed Wrigley Field.

In 1920, construction began on the Wrigley Building in Chicago. The location that Wrigley chose for his headquarters was a triangular-shaped lot in what is now the business district above Michigan Avenue. The building was designed after the Giralda Tower of the Seville Cathedral in Seville, Spain, combined with French Renais-

Wrigley Field

The home of the Chicago Cubs was originally named after the team's co-owner Charles Weeghman. In 1913, Weeghman owned the Chicago Federals baseball team. He hired Zachary Taylor Davis, the architect who designed the Comiskey Park baseball stadium a few years before, to build a park for the Federals. Groundbreaking on the new stadium took place on March 4, 1914, and the steel and concrete park was ready for the opening home game on April 23, 1914. Weeghman Field could accommodate up to fourteen thousand visitors. Before the 1915 season, additional bleachers were built to increase seating capacity to approximately eighteen thousand, and the scoreboard was moved to center field.

The park became home to the Chicago Cubs in 1916 after Weeghman bought the team for $500,000. A number of investors owned percentages of the team's stock, including William Wrigley, Jr., who bought into the franchise in 1917. Wrigley was a great fan of baseball and rarely missed a home game. However, the Cubs were a poorly run team and lost money every year. The players were so unruly that Wrigley became a reformer in addition to a co-owner. He bought additional shares of the franchise as Weeghman experienced mounting financial difficulties. In 1918, Weeghman retired as team president and sold his remaining shares to Wrigley. The stadium was renamed Cubs Park in 1919.

Three years later, Wrigley hired the original architect to design a major expansion of the ballpark. As part of this project, the grandstand was cut into three pieces. The home plate section was moved sixty feet west, and the left field section was moved one hundred feet to the northwest. The gaps were filled in with more bleachers, and box seats were added. Cubs Park now had a capacity of thirty-one thousand. The playing field was rotated three degrees counterclockwise to accommodate the box seating.

In 1924, Wrigley bought out another investor and became the majority owner, with 71 percent of the stock. Toward the end of 1926, construction began on a second deck of seats that was completed prior to the 1928 season. The stadium was renamed Wrigley Field early in 1927. In the five years before Wrigley's death in 1932, the Cubs began making a profit. They won the National League pennant in 1929 but lost the World Series to the Philadelphia Athletics.

The ivy that covers the outfield walls was planted in 1937. Lights were to be added in 1942, but after the Japanese attack on Pearl Harbor in 1941, William's son, Philip K. Wrigley, donated the lights and other materials to the war effort. Lights were not installed at the park until decades later, and the first night game was played at Wrigley Field in 1988.

The Tribune Company has owned the park since 1981. The company considered renaming the stadium but ultimately rejected this idea. However, in 2007, the owner of the Tribune Company announced that he would consider selling the field's naming rights following the trend of corporate sponsorship in baseball. Even if the naming rights were sold, the Tribune Company has said that the stadium's marquee would remain unchanged. The Chicago city council declared the famous Wrigley Field marquee, scoreboard, ivy, and exterior brick walls a local landmark in 2003.

sance architecture. The structure features two towers of differing heights and is covered in glazed terra cotta, giving the facade a gleaming, white exterior. The Wrigley Building is occasionally hand-washed in order to preserve the terra cotta. The south tower is thirty stories high and was completed in 1921; the north tower is twenty-one stories high and was not completed until 1924. The Wrigley Building has become one of the most famous landmarks in Chicago.

By the time of his death in 1932, Wrigley had factories in Chicago, Manhattan, Brooklyn, Toronto, London, Berlin, Frankfurt, and Sydney. His company was earning $75 million in annual sales revenue, of which Wrigley received profits of around $12 million. He had invested in a variety of other businesses, including railroads, banks, mines, and hotels. Wrigley owned the Biltmore Hotel in Phoenix, Arizona, where he was staying when he died. He left his fortune to his wife and two children. His estate was estimated to be worth at least $22.5 million, which did not include his homes and property in California and Arizona.

Legacy

William Wrigley, Jr., is known for his love of baseball generally, and of the Chicago Cubs specifically, and he rarely missed a Cubs home game. He also played an important role in the history of Catalina Island. Wrigley improved the island by building hotels, public utilities, the Casino dance hall, and steamships to transport visitors. He also had trees, shrubs, and flowers planted on the island. Wrigley loved Catalina, refused to sell it on several occasions, and wanted to make it available to the public. In 1972, his son Philip K. Wrigley created the Catalina Island Conservancy and transferred ownership of the island to this organization. In addition to developing Catalina, Wrigley constructed the Wrigley Building, an architectural landmark; expanded Wrigley Field, which was designated a local landmark in 2003; and created several of the most popular, best-selling chewing gums in the world.

—*Jennifer L. Campbell*

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See also: Roberto C. Goizueta; W. K. Kellogg; Ray Kroc; Reginald F. Lewis; C. W. Post; Marjorie Merriweather Post.

Wu Bingjian

Chinese banker and merchant

Wu, one of a handful of merchants authorized by the Chinese government to trade with the West, exported native products to America and European nations and imported opium from British traders. In the course of his transactions, he became one of the richest men in the world.

Born: 1769; Fujian, China
Died: 1843; Guangzhou, China
Also known as: Howqua II; Bingjian Wu; Wu Ping-chien
Sources of wealth: Inheritance; trade; narcotics trafficking
Bequeathal of wealth: Children; government

Early Life

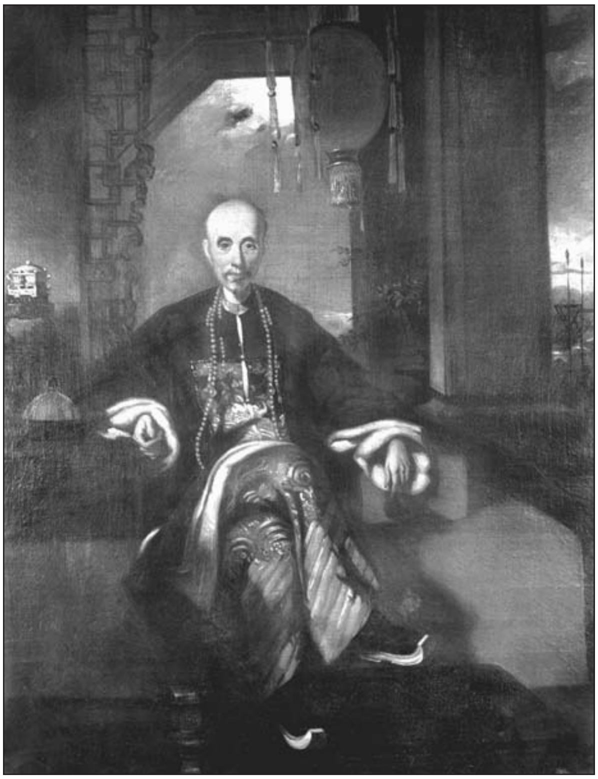
Wu Bingjian (woo bihng-zhyan) was the third son of Fujian businessman Wu Guorong (also known as Wu Kuo-ying), who founded the family trading enterprise known as Haoguan. Because Western merchants had trouble pronouncing the name of the company, the firm became known to Westerners as Howqua, and Wu Guorong was known as Howqua I in Canton (Guangzhou), China, the only location where business dealings with foreigners were allowed. Trade between foreign countries and China had begun in the late seventeenth century under the Qing Dynasty. By the late eighteenth century, the pattern for conducting business was well established: Silk, porcelain, tea, and other locally produced goods left China, and silver for Chinese purchase was brought into the country. The Haoguan company flourished.

Wu Bingjian took over the family business in 1789 and was known as Howqua II. A shrewd trader, Wu, unlike his colleagues, was capable of communicating with foreigners through pidgin English. He also was well liked by the Westerners and was willing to lend them money, at a healthy interest rate, to help less financially secure foreigners establish their businesses. Because of his abilities, Wu began to grow wealthy and influential, and he gained a reputation among foreign traders as a fair and honest businessman.

First Ventures

Late in the eighteenth century, the trade imbalance between China and foreign businessmen had significantly increased. While exotic Chinese products, such as tea, silk, porcelain, lacquerware, and other goods, were highly desirable luxuries to the Westerners, the foreign traders offered little of interest to the Chinese beyond the precious metals that were used to buy Chinese products. To offset this imbalance and to recoup the money spent in China, the English traders and their authorized agents, the British East India Company, began processing and shipping opium from their colonies in India for sale in China. While opium had been imported to China on a casual basis since the 1720's, the drug traffic increased substantially with the advent of the nineteenth century.

The ever-amiable Wu Bingjian, realizing there was a ready market for opium among the Chinese, quickly added the drug to his list of import commodities, and his profits continued to grow as he earned a percentage of every import or export transaction in which he participated. Within a decade, millions of Chinese were addicted to smoking opium, and the government, alarmed by this development, issued several edicts banning the importation of the drug as contraband and providing severe penalties for opium dealers, including death by strangulation. Despite the prohibition and threatened punishment, drug traffic continued to flourish for another forty years, and Wu became wealthier. Between 1808 and 1820, an average of four thousand to five thousand chests of opium, worth an average of more than $1,000 apiece, were brought to China from India, primarily by English traders, under the auspices of the British East India Company and by Americans shipping inferior, but more affordable, opium from Turkey. From 1825 until 1835, between twenty thousand and thirty thousand chests of opium were reaching China every year, and addiction to the drug had grown to epidemic proportions.



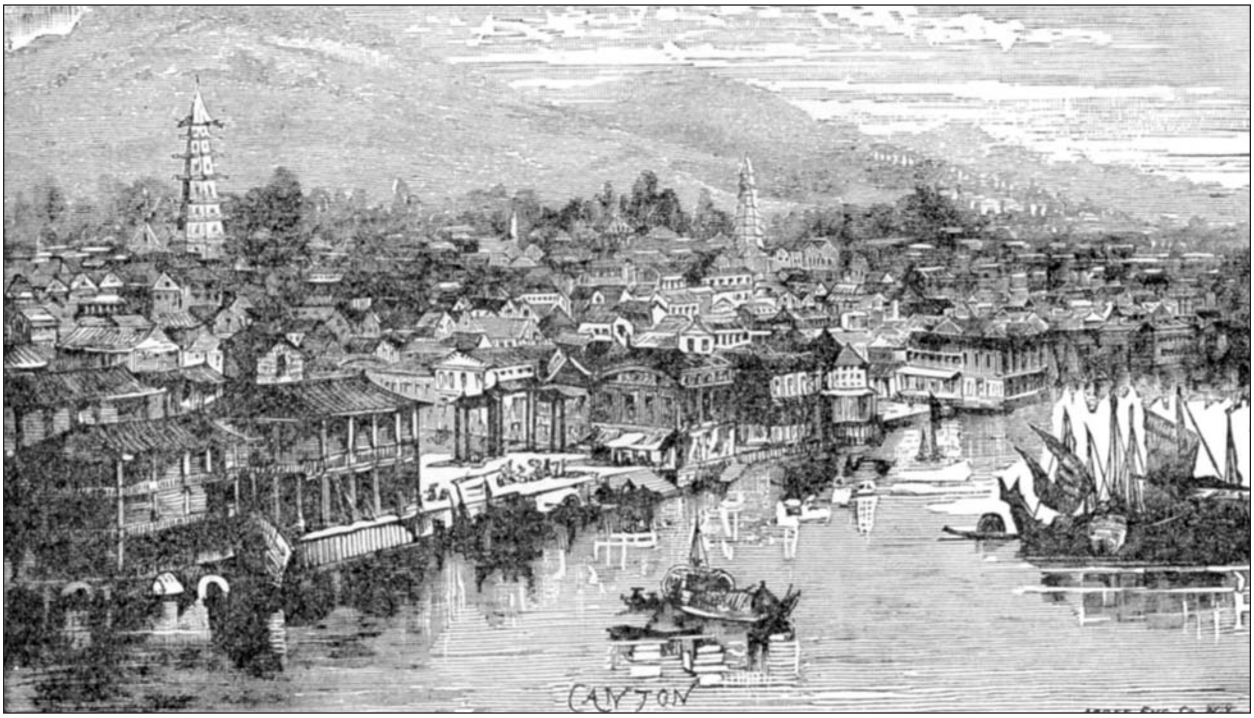
Wu Bingjian. (The Granger Collection, New York)

Mature Wealth

In the early 1820's, Wu Bingjian, concerned about the Chinese government's increased hostility toward drug trafficking, tactfully withdrew from the opium trade. His caution earned him a new nickname among his peers, the "Timid Old Lady." Wu did not care, because his legitimate business continued to produce a steady flow of income, and he amassed a fortune in silver, especially in silver dollars, which was his favorite medium of exchange. In 1822, a fire in Canton destroyed many of the Chinese merchants' businesses, melting the hoards of metals in these structures and creating a silver river two miles long. Wu contributed the lion's share of cash needed to rebuild the merchants' enclave.

By 1834, Wu's personal fortune, consisting of millions of silver coins, was estimated to exceed £6 million sterling (equal to $56 million in American currency then and worth more than £300 million or $600 million in 2010). A significant portion of his wealth was invested through the American opium-trading firm of Russell & Co., which invested in domestic railroads and industries. Wu was instrumental in endowing a number of institutions of higher learning in the United States. Although Wu continued to oversee his various trading enterprises, day-to-day operations were turned over in the late 1820's to his fourth son, Wu Yuan-hua, or Howqua III, who managed the business until his death in 1833, when Wu Bingjian's fifth son, Wu Ch'ung-yueh, took over as Howqua IV.

Wu Bingjian, however, was thrust back into the limelight in 1839, when the Qing emperor, determined to stamp out opium trading, appointed Lin Zexu as the high commissioner of Canton. On behalf of the emperor, Lin demanded that the Chinese merchants, of whom Wu Bingjian was the longest tenured, wealthiest, and most



Canton, the only Chinese port open to foreign trade for much of the eighteenth and nineteenth centuries. The Cohong, a guild of Chinese merchants, had exclusive rights to trade with Western businesses in Canton. (R. S. Peale/J. A. Hill)

powerful and respected, approach their Western trading partners to persuade them to turn over their supplies of opium for confiscation. For several tense months, recalcitrant Westerners, unwilling to lose the profits from their drug caches, were essentially confined to their places of business and under siege, hundreds of addicts were executed, and opium smugglers' boats were destroyed. Eventually, the Western traders surrendered more than 2.5 million pounds of opium. This mountain of contraband was shoveled into trenches, burned, and dumped into the ocean. The foreign traders were driven from Canton and subsequently retrenched in Macao, a nearby Portuguese colony.

Because the destroyed opium was considered British property, the British government demanded compensation. The Chinese refused, and the British launched the First Opium War (1839-1842) to force reparations. The British, with their superior warships, soon prevailed over the Chinese and their sixteenth century weapons. The 1842 Treaty of Nanjing reopened Canton to foreign trade, established four other ports as approved centers of trade, ceded Hong Kong Island to the British, and required the Chinese to pay $6 million as compensation for the foreign traders' lost opium. In one of his last acts of generosity, Wu Bingjian, on his deathbed, paid one-third of the entire compensation in silver dollars. He died soon afterward.

After the First Opium War, the Chinese *hong* merchants, who had been authorized by the Chinese government to trade in Canton, lost much of their influence, since additional trade centers were opened and they no longer had a monopoly on the import-export business. The merchant centers, called factories, were burned in 1856 during the Second Opium War. When this war ended in 1860, many prominent Chinese businessmen relocated to Hong Kong, where, in association with European trading partners, they would become leaders of industry in the twentieth century.

Legacy

Although the power of the *hong* merchants of Canton dropped sharply after the death of Wu Bingjian and the First Opium War, his son, Wu Ch'ung-yueh, continued to trade in tea and silk at least until the mid-1850's, after which the house of Wu fades from history. Wu Bingjian, well respected for his business practices, was commemorated in the United States with the naming of a clipper ship for him, the *Houqua*, built in the early 1840's.

Wu Bingjian's portrait, in which he is seen as an extremely thin, balding, innocuous-looking middle-aged Asian man dressed in flowing silk dress, also graced the homes of many wealthy Americans. The Howqua River in Australia and a tea called Hu-Kwa were named in his honor.

The effect of the Chinese opium trade has been long lasting, as the use of heroin and other poppy by-products spread worldwide during two centuries. Many prominent American families were involved in Asian drug trafficking. Some of the country's major institutions of higher learning, including Yale, Princeton, and Harvard Universities, in a form of money laundering, were endowed with money earned from dealing drugs to China.

—*Jack Ewing*

THE CANTON COHONG MERCHANTS

The Cohong (known in Chinese as *kitng-hang*), a business guild established by merchants in Kwangtung and Fukien in 1720, drew up a code governing trade with foreigners in Canton. By the early 1780's, the Cohong members were granted exclusive rights to trade with Western businesses, and they essentially monopolized transactions between China and the United States, Great Britain, France, Denmark, Spain, and other European nations, earning a share of each deal and growing rich in the process. During the 125 years in which the Cohong held sway over foreign trade in Canton, many Chinese businessmen rose to prominence and later fell out of favor as their fortunes waxed and waned. Some of the better known of the Cohong members, recognized primarily by their business or trading names rather than their personal names, included Suqua, Cudgin, Munqua, Phuankhequa, Mawqua, Hunsunquin, Deanqua, Chun Yea, Chun Sam Mia, Linqua, Anqua, Empshaw, Pinqua, Cowlo, and Old Quiqua. One of the most important and enduring of these merchants was Wu Bingjian, known to Westerners as Howqua II, who conducted numerous transactions with Western traders for a half century between 1789 and his death in 1843.

Members of the Cohong were recognized by the symbols of their office: special buttons worn on their hats designating their rank in the hierarchy of businessmen. The Cohong was charged with maintaining factories (named for Western agents, called factors), the buildings along the waterfront in which foreigners and their staff were housed. Thirteen factories, including Chow-Chow, Old English, American, Imperial, and Tranquilit, were provided at Cohong expense, and the Cohong was also responsible for coastal defenses to protect shipments from pirates.

Following the Opium Wars, the power of the Cohong dissipated. Many of the surviving businesses that had been powerful in Canton relocated to Hong Kong, the former British crown colony that since 1997 has been a special administrative region of the People's Republic of China. Beginning in 1842, many former Canton traders, both Chinese and Western, set up their businesses in Hong Kong. Over the years, these businesses merged, becoming international conglomerates that represented the interests of East and West alike. Jardine Matheson & Company, one of the firms that traded opium and other goods with the Cohong in Canton, remained headquartered in Hong Kong into the twenty-first century.

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See also: Heshen; Huang Zhiyun; William Jardine; Ma Yueguan; David Sassoon.

Steve Wynn

American hotel developer, landowner, and investor

Wynn became an important part of Las Vegas history by using his wealth to promote the dramatic resurgence and expansion of the Las Vegas Strip during the 1990's. He was responsible for the building or renovation of many Las Vegas resorts, including the Golden Nugget, Mirage, and Bellagio.

Born: January 27, 1942; New Haven, Connecticut
Also known as: Stephen Alan Wynn; Stephen Alan Weinberg (birth name)
Sources of wealth: Real estate; tourism; investments
Bequeathal of wealth: Children; charity

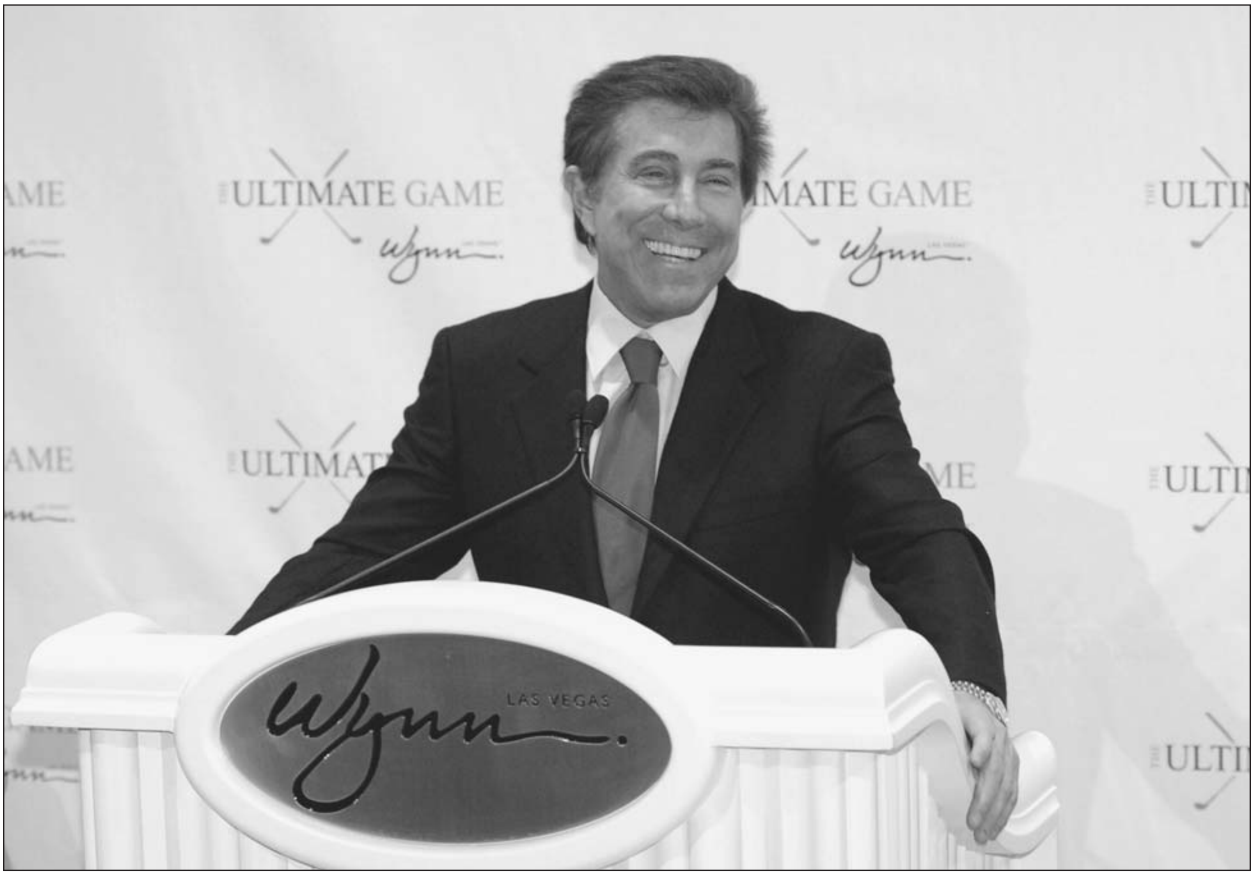
Early Life

Stephen Alan Wynn (wihn) was born in Connecticut and reared in Utica, New York. His father, Michael Weinberg, changed the family name to Wynn in 1946 to help promote business for a string of bingo parlors that he operated in Maryland. After the younger Wynn graduated from a private school for boys near Syracuse, New York, he earned a B.A. degree in English literature and anthropology from the University of Pennsylvania.

After his father's death in 1963, young Wynn took over his father's bingo business. He invested his profits into a share of the Frontier Hotel and Casino in Las Vegas, Nevada. In 1967, Wynn and his wife Elaine moved to Las Vegas.

First Ventures

During the early 1970's, Wynn began buying shares in other Las Vegas casinos. After securing a major land deal involving Howard Hughes and Caesar's Palace in 1971, Wynn bought a controlling interest in the Golden Nugget in downtown Las Vegas. He renovated and expanded the



Steve Wynn. (AP/Wide World Photos)

Golden Nugget into a very successful resort hotel and casino that attracted wealthy clientele. In 1980, he built the Golden Nugget Hotel and Casino on the boardwalk in Atlantic City, New Jersey. By 1985, Wynn's fortune was estimated at $100 million.

After selling the Atlantic City Golden Nugget in 1987 for $440 million, Wynn built the Mirage Resort and Casino, a major casino along the Las Vegas Strip. At a cost of $630 million, this venture was considered a major risk. However, with its vast size, lavishness, indoor forest, and outdoor human-made volcano, the Mirage proved to be a major success. This hotel firmly anchored Wynn's wealth and established him as a major figure in the historical development of Las Vegas.

Mature Wealth

With the Mirage generating an average of $1 million a day, Wynn built the Treasure Island Hotel and Casino, which featured a sinking pirate ship and was located next door to the Mirage. Treasure Island opened in 1993 and cost $450 million to construct. This hotel was another financial success for Wynn.

After purchasing and demolishing the old Dunes Hotel, Wynn replaced it with the ultraposh Bellagio Resort and Casino in 1998. Built at a cost of more than $1.5 billion, the Bellagio contains 3,421 rooms, an artificial lake, a magnificent art gallery, and a dancing water fountain show. The Bellagio spurred the development of numerous luxury hotels and casinos in Las Vegas.

In May, 2000, Wynn sold his company, Mirage Resorts, Inc., which included the Mirage, Treasure Island, and Bellagio, to Metro-Goldwyn-Mayer (MGM) Studios for $6.6 billion. Wynn used some of the proceeds to build the Wynn Las Vegas hotel on the Strip. Standing fifty stories high, Wynn Las Vegas contains 2,716 rooms and the Wynn Art Collection, including paintings by Vincent van Gogh, Édouard Manet, and Pablo Picasso. This hotel opened in April, 2005.

In 2004, Wynn became a billionaire, who was worth an estimated $1.3 billion. His net worth grew to $3.9 billion in 2008. That year, he opened the elaborate Encore Hotel and Casino in Las Vegas on December 22.

Legacy

With his legacy still evolving, Steve Wynn is recognized as a major contributor to the development of the Las Vegas gambling empire. He has been a key player in the revitalization and expansion of Las Vegas, and he helped transform the city into a world-renowned resort and convention destination. With each new investment, his hotel and casino enterprises in Las Vegas have continued to grow in size, lavishness, reputation, and success.

In May, 2006, Wynn was included in *Time* magazine as one of the one hundred most influential people in the world. Later that year, he was inducted into the Hall of Fame of the American Gaming Association.

—*Alvin K. Benson*

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See also: Sheldon Adelson; Leona Helmsley; Kirk Kerkorian; J. Willard Marriott; Jay A. Pritzker; Donald Trump.

José Xifré

Spanish industrialist and merchant

Xifré was the wealthiest of the indianos, *Spaniards who sought fortunes in the Spanish colonies in the West Indies. Acquiring a business fortune in Cuba and New York City, Xifré returned to Catalonia as a builder and philanthropist.*

Born: October 15, 1777; Arenys de Mar, Spain
Died: August 7, 1856; Barcelona, Spain
Sources of wealth: Trade; manufacturing; real estate
Bequeathal of wealth: Spouse; children

Early Life

José Xifré (hoh-SAY see-FRAY) was born in Arenys de Mar in Catalonia, Spain, in 1777, the son of Juan Bautista Xifré Horta and Margarita Casas Castelló. He was one of six children. His father owned four maritime ships that traded with Spain's American colonies. However, this fleet was damaged in the war between England and Spain from 1779 to 1783. On October 3, 1786, Xifré's father agreed to surrender his commercial property to his creditors. After Xifré acquired his first fortune, he extinguished his father's debts.

Xifré hoped to recover his family's finances in Cuba, a flourishing Spanish colony. The Spanish who traded in the American colonies were known as *Americanos* or *indianos*. Xifré's uncle, José Xifré Horta, was a successful *indiano*, owning a leather tanning factory in Cuba.

First Ventures

In October, 1798, Xifré moved to Cuba to make his fortune. Cuba was a center of the Atlantic trade in the early nineteenth century, producing great quantities of sugar, liquor, coffee, and tobacco. It was a vital link in the triangular trade, by which slaves were traded from Africa, raw products from the Americas, and manufactured goods from Europe. Xifré began working for a friend of his father, Mariano Baralt, and then for his uncle. Showing great ambition and intelligence, he acquired a small fortune within five years. His uncle had no sons and gave Xifré increasing stakes in the leather factory.

Xifré began building a trading fleet, purchasing the ships *San Jose* in 1804 and *Margarita* in 1809. He also acquired plantations and expanded his businesses into wool making, coffee, sugar, tobacco, brandy, and rum. Although Xifré's name has been linked to the Atlantic slave trade, there is no evidence that he was involved; Arenys de Mar historian Zenon de Pol i Alguer claims that the historical record demonstrates that Xifré was not a slave trader, although he certainly worked thousands of slaves on his plantations and businesses. Xifré's resources allowed him to dominate the leather trade in Cuba and export large quantities of leather goods to the United States and England. He imported the best machinery from England for his factories. In 1808, he was awarded an exclusive monopoly to obtain all hides for tanning from cattle slaughtered in Havana and Santiago, Cuba. Although his competitors finally succeeded in ending his monopoly in 1840, Xifré had already solidified his businesses.

Xifré was an innovator in the leather industy. He imported plants containing tannin from Catalonia to be used in the tanning process. When this shipment was cut off during the Peninsular War (1808-1814), Xifré substituted tannins found in the bark of Cuban mangrove trees. When the inception of a leather industry in the United States threatened his export business, he became a founding member of the first U.S. leather joint-stock company, the New York Tannery, contributing $10,000 to the firm in 1817. With his great wealth, Xifré loaned more money in Cuba than many banks. In 1818, he married Judith Downing, the daughter of one of his New York partners; they would have one son.

Mature Wealth

With the expansion of his trade with the United States, Xifré moved to New York City in 1823. Although he would never return to Cuba, he kept close oversight over his Cuban managers and continued to reap profits. In New York, he opened an office on 343 Greenwich Street and moved into banking. He purchased other properties in Manhattan and constructed buildings. In 1831, he returned to Catalonia after visiting industrial sites in England and France. Xifré was granted a hero's welcome in Spain because of his vast wealth and all of the assistance he had provided to *indianos* from Arenys de Mar. With a fortune estimated at 120 million reales (the equivalent in 2010 of more than $1 billion), he was the richest man in Catalonia and probably in all of Spain. He was nicknamed the "Builder of Wealth." Spaniards would exclaim the idiom, "He is richer than Xifré!"

As he did in New York, Xifré financed new industries in Catalonia. He served as president of the Caja de Ahorros y Monte de Piedad savings bank and was mayor of Barcelona in 1850. He and his wife supported the research of the foremost Spanish phrenologist, Mariano Cubí. He acquired vast properties in and around Barcelona, many in an auction of lands seized from the Catholic Church. In response to a cholera outbreak in his birthplace of Arenys de Mar, he built a grand hospital in 1849, endowing the town with 2,000 duros (equivalent to about $400,000 in 2010 currency) to maintain the facility. The hospital had twenty-five beds, a nursing home, and classrooms.

Xifré built a palatial home on his estate called Manso Xifré. All of the structures he built were in the same architectural style, dominated by arches and porticoes reminiscent of the structures in Cuba. His most architecturally significant building was Porxos d'en Xifré (Xifré's porches). Construction began in 1836 and was completed in 1840 on a two-block area facing the Barcelona stock exchange on one side and the harbor on the other. Porxos d'en Xifré was designed by architects Josep Buixareau and Francesc Vila as a neoclassical palace, replete with lavish gardens. The ground floor consists of cascading arches—hence the name Xifré's porches—that unite five adjacent buildings. The structure has three upper floors and an attic, all made of fine materials. The arcades are ornamented with sculptures, plaques, and bas-reliefs celebrating both the conquest of the Spanish New World and its wealth, depicting explorers and conquistadores, as well as fruits, fish, maritime trade, sugarcane, coffee, and toiling slaves.

When Xifré died in 1856, he was buried in the chapel of the Xifré Hospital in a magnificent vault designed by the famous Parisian sculptor Charles Guméry. Xifré left his fortune to his widow and to his son José Xifré Downing. His son built a grand palace in Madrid, modeled after the Alhambra. His grandson Don José Xifré Hamel married a countess and in the 1880's became a leading member and benefactor of the Theosophical Society of Helena Petrovna Blavatsky. Hamel financed numerous Theosophist enterprises, including a printing

THE ATLANTIC SLAVE TRADE AND WEALTH

Traffic in slaves has been one of the great sources of wealth in human history. Slavery is an ancient institution. In early economies, wealth was accumulated in precious metals and stones, in livestock and land, and in ownership of humans—slaves. In the classical world, slaves often occupied a fluid and familial part of the economy; Pasion, a Phoenician slave in ancient Athens, became the wealthiest banker in ancient Greece. However, slavery always had its brutal side; Athenian slaves worked the silver mines of Laurium in shackles and were treated with contempt and brutality.

The Atlantic slave trade was the most profitable and most inhumane traffic in slavery the world has known. With the discovery of the New World, the continent of Africa was pillaged to provide millions of slave laborers. Slave trading in Africa and Arab societies had existed for centuries. With the demand for workers for the American colonies, however, African slaves were not directed overland to the Arab world but were sent across the Atlantic. It is estimated that in the sixteenth century about 300,000 Africans were transported to the Americas. The transatlantic slave trade expanded in the seventeenth century, but the most active period of trading was in the eighteenth and nineteenth centuries. According to some historians, approximately ten million African slaves made the transatlantic journey to supply Portuguese Brazil, the Spanish colonies, and the newer outposts of North America and the Caribbean. As many Africans died during the transportation as survived.

Some chieftains in the Kongo and other parts of Africa gorged themselves on profits from selling rival tribesmen to Portuguese slavers. Greater fortunes were made by English, French, Dutch, and Brazilian slavers, and often by bankers and merchants, as Africans were purchased from tribal chiefs and Arab traders, crammed into ships, and auctioned at rich prices. Numerous early American fortunes, such as those of John Brown (Brown University is named for his family), were made through the slave trade.

Denmark banned the slave trade in 1803, Great Britain in 1807, and the United States in 1808. The British navy worked throughout the Atlantic to suppress slave transporting, boarding ships of any nation to ferret out slaves and traders. In the United States, the wealthy southern cotton trader Charles Lamar was indicted for slave trading in 1857. The last major American slave trader, Nathaniel Gordon, was executed in 1862. Nevertheless, an illegal slave trade to Cuba existed until slavery was abolished in 1886. Vast fortunes were made in Cuba both in trading slaves and in working them on Cuba's vast plantations. Much of the wealth of the rich *Indianos*, including men such as Antonio López y López, Miguel de Aldama, Joan Güell y Ferrer, and Manuel Calvo, was generated from slavery. The rich shipping merchant Pedro de Zulueta was tried in a London court in 1843 for slave trading. His nephew Julián de Zulueta was reputed to be the chief importer of slaves into Cuba, gaining great sums of money.

press that disseminated a great quantity of free literature promoting Theosophy.

Legacy

José Xifré was perhaps the wealthiest of the Spanish *indianos*—the Catalans and other Spaniards who made their fortune in the American colonies. They returned to their homeland to join the Spanish aristocracy and rebuild Spain. Xifré's fortune was made in leather making and exporting and was multiplied in plantations in Cuba and in his activities as a financier and capitalist in New York City. A street in Havana is named for him.

His grand building, Porxos d'en Xifré, is one of the historic sites of Spain and remains a tourist attraction in the twenty-first century. The first photograph ever taken in Spain was of Porxos d'en Xifré; it was the first building in Barcelona to have running water, and it is a national monument. It was built to have restaurants and shops on the first floor and apartments above. When artist Pablo Picasso arrived in Barcelona in 1895, he and his family resided in the building's apartments, and Picasso painted city landscapes atop the roof. One of Spain's most famous seafood restaurants, Set Portes (seven doors), operating since 1836, is located in Porxos d'en Xifré. Hundreds of celebrities have dined there, including actors Ava Gardner, Catherine Deneuve, and John Wayne; film director Orson Welles; performers Josephine Baker, Maria Callas, and Xavier Cugat; artists Joan Miró, Salvador Dalí, and Yoko Ono; writer Ernest Hemingway; scientist Albert Einstein; soccer champion Pelé; radical activist Che Guevara; and King Juan Carlos I and Queen Sophia of Spain.

—Howard Bromberg

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See also: Miguel de Aldama; Emilio Bacardi; Manuel Calvo; Antonio López y López; José de Salamanca y Mayol.

Yasuda Zenjirō

Japanese businessman and banker

Yasuda rose from humble origins to become the founder of a huge banking empire. His prosperity enabled him to become a generous philanthropist who financed cultural facilities and other projects in Tokyo.

Born: November 25, 1838; Toyama, Etchu Province (now Toyama Prefecture), Japan
Died: September 28, 1921; Ōiso, Kanagawa Prefecture, Japan
Sources of wealth: Banking; government; insurance
Bequeathal of wealth: Relatives; charity

Early Life

Yasuda Zenjirō (yah-soo-dah zen-gee-roh) was born in Toyama, in Etchu Province (now Toyama Prefecture), Japan. Born into a family of very modest circumstances, he was the son of a poor samurai. When he was seventeen, he ran away from home and made his way to Edo (later Tokyo), where he became a shop assistant in a money-changing company. He opened his own money-changing business in 1863, when he was twenty-four.

First Ventures

One of Yasuda's clients was the government of the Tokugawa shogunate. He performed "tax farming" services, collecting taxes for citizens and sending these levies to the government. When the Tokugawa era collapsed and the shogun was forced to resign, the country returned to imperial rule in 1868 with the Meiji Restoration. Yasuda was able to provide similar financial services to the Meiji government. During the early years of the new era, when many aspects of Japanese business were in disarray, Yasuda enjoyed impressive profits gained from the gap between the time taxes were collected and the time they were sent to the government. He earned additional profits from purchasing Meiji paper money, which was greatly depreciated, and trading it for gold.

Mature Wealth

When the Meiji government made the announcement that it would exchange depreciated paper money at face value in gold coin, Yasuda made a fortune as the official handler of funds for the Ministry of Justice, placing him in the position to help establish a bank. In 1876, the Third National Bank was founded; it would later become Japan's sixth largest bank, the Fuji Bank. In January, 1880, Yasuda was granted a charter to establish his private bank, the Yasuda Bank. By this time, his reputation for leadership in the financial world had been established, as demonstrated by his appointment to become an adviser to the businessmen who founded the Bank of Japan, the nation's first central bank.

The establishment of the Yasuda Bank marked the beginning of the Yasuda *zaibatsu*, or family-owned business conglomerate, which, along with several other *zaibatsus*, exercised control over much of the Japanese economy during the Edo and Meiji periods. This financial control contributed substantially to Japan's successful industrialization. The Yasuda *zaibatsu* was the fourth of the so-called "Big Four." It differed from the others in that it remained primarily a financial enterprise rather than a company that developed and controlled commercial and industrial firms. By 1880, Yasuda had acquired the Yasuda Mutual Life Insurance Company. This firm prospered, and in 1893, his *zaibatsu* purchased the Tokyo Fire Insurance Company (later called the Yasuda Fire and Marine Insurance Company), Japan's first fire insurance company. Extensive public relations work sought to introduce Japanese consumers to fire insurance, and awareness of this product was spurred by the Great Yokosuka Fire of 1890, which destroyed 830 homes. The fire also plunged Yasuda's company into debt, even though the firm's commitment to pay claims associated with the blaze gained the company credibility and attracted more clients. Financial restructuring was necessary, and Yasuda stepped in to help, enabling the firm to grow steadily between 1893 and the beginning of World War I in 1914. Yasuda was also one of the major financiers of the Russo-Japanese War (1904-1905).

Among the better known of Yasuda's philanthropic deeds was his donation of the Yasuda Auditorium, a landmark located on the Hongo campus of the University of Tokyo. This auditorium, seating more than one thousand people, was completed in time to be used on the occasion of a visit of the Taisho emperor. Yasuda's wealth also made possible the Hibiya Public Hall, completed in 1929, which came under the control of the city of Tokyo, and the Honjo Public Hall, which Yasuda donated to the city of Tokyo. Yet another philanthropic gift was the Kyu-Yasuda Garden, originally the site of a feudal lord's residence in the Sumida-ku area of Tokyo. One of the garden's best-known features is a pond fed by the

Sumida River. After Yasuda's death in 1921, the garden was opened to the public. Kyu-Yasuda Garden was renovated after it was destroyed in the Great Kanto Earthquake in 1923 and despoiled by the pollution of the Sumida River.

Yasuda gave his wholehearted support to the mayor of Tokyo, Gotō Shinpei, who worked to establish the Institute for Municipal Research, an independent agency that provides guidance for governing Tokyo. Yasuda had expressed his plan to make a 3.5 million-yen donation to the enterprise. His family honored his wishes to do so, and the institute was established in 1922, the year after his death.

On September 28, 1921, Yasuda was assassinated by Asahi Heigo, an ultraright-wing activist who was upset because Yasuda declined to make a donation for the construction of a workers' hotel. During his lifetime, Yasuda had amassed a fortune that exceeded $1 billion. His remains were buried in the Gokoku-ji Temple Cemetery in the Bunkyo ward of Tokyo. A monument honoring Yasuda's memory was erected in the financial district of Toyama in the prefecture of his birth.

Great Wealth and Banking

By its very nature, the business of banking is the business of accumulating money, and many of the world's leading bankers have amassed their own private fortunes to become some of the richest people of their times. Banks of a sort existed in ancient Greece and Rome. The "new banking" in the Middle Ages saw a shift from an agricultural to a commercial orientation, and there was less antagonism regarding the activities of borrowing and lending money than there was in the past.

The industry grew more sophisticated in Italy in the centuries just before and during the Renaissance, when many of the practices of modern banking were initially developed. The bankers of Genoa, Venice, Florence, and other city-states were often merchants, many of whom had connections in high places. A number of banking companies, notably the one established by the Medici family, established branches throughout Italy and in other countries. Italian bankers who expanded into England brought sophisticated financial and commercial practices that boosted both the state and the economy, becoming lenders to the government, or "crown bankers." By the late fifteenth century, German businessmen had moved into Europe's financial services business. Typical of these bankers was Jakob Fugger, called Jakob the Rich. Having inherited his father's trading business, Fugger grew immensely wealthy and became famous throughout Europe for lending money to its rulers. His influence among royal circles influenced European history long after his death.

The seventeenth and eighteenth centuries saw the rise of such prominent European bankers as Francis Baring and his son Alexander; Henry Hope, who established ties to King George I and ran the leading banking house in Europe; and the house of Rothschild, a European dynasty of German-Jewish origin that established their banking business in the late eighteenth century. By the mid-twentieth century, the total wealth of the Rothschild family, when calculated in 2010 currency, amounted to hundreds of billions of dollars.

Two of the most important American-born bankers were Junius Spencer Morgan and his even more prominent son, J. P. Morgan. The younger Morgan transacted some of the most significant corporate deals of the late nineteenth and early twentieth centuries. Another major nineteenth century financier was Gerson von Bleichröder, a Jewish-German banker and a Prussian noble, who took care of the private banking business of Otto von Bismarck, the Prussian state, and the German empire. Having close ties with the Rothschild family, Bleichröder's banking house served as a branch office of the Rothschilds' bank in Berlin.

While fortunes were being made in Europe, Yasuda Zenjirō founded two banks in Japan in the late nineteenth century. These banks were part of the Yasuda *zaibatsu*, a word that literally means "financial clique" and refers to a family-controlled banking and industrial conglomerate. Among the dozen or so *zaibatsu,* the "Big Four" were Mitsubishi, Mitsui, Sumitomo, and Yasuda. Typically, these vertical monopolies consisted of a holding company at the top, with a wholly family-owned banking subsidiary to mobilize capital. At the Yasuda *zaibatsu*, Yasuda Zenjirō was chairman, four of the seven directorships were held by Yasuda family members, three members of the board of directors were salaried managers, and two others were former bureaucrats. Most of the founders of the Japanese *zaibatsu* were samurai bureaucrats with a privileged position within the government, making it possible to obtain lucrative monopolies, subsidies, and state assets at greatly reduced prices when the government sold its industrial holdings during the 1870's. The *zaibatsu* helped to finance numerous enterprises in Japan and abroad. Eventually, the Big Four would control more than one-third of Japan's mining and chemical industries, nearly one-half of the machinery market, 60 percent of the commercial stock exchange, and a substantial portion of the merchant fleet.

LEGACY

Having come from a humble background, Yasuda Zenjirō became wealthy through his astute insight into money management coupled with his involvement in the movement to overthrow the Tokugawa shogunate, which put him in a position to enjoy recognition and work from the Japanese government. As his business successes multiplied and the Yasuda *zaibatsu* was formed, Yasuda sometimes was forced to reorganize financially troubled ventures, such as the Tokyo Fire Insurance Company, Ltd. After Yasuda restructured this firm, it eventually amassed assets of 2.80 trillion yen ($19.48 billion) and employed more than ten thousand workers.

Yasuda's wealth and his appreciation of and interest in cultural and community affairs enabled him to finance public halls, gardens, buildings, and educational projects that brought him recognition as a major philanthropist in Japan. His business legacy was carried on by his descendants, who continued to operate his banking enterprise, with the Yasuda Bank reorganizing as the Fuji Bank and later merging with two other banks to form the Mizuho Financial Group in 2003.

—*Victoria Price*

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See also: Francis Baring; Jakob Fugger; Iwasaki Yataro; Mitsui Takahira; Mitsui Takatoshi; J. P. Morgan; First Baron Rothschild; Mayer Amschel Rothschild; Nathan Mayer Rothschild.

Yodoya Tatsugorō

Japanese merchant

Yodoya's family built the greatest fortune in Tokugawa Japan through innovative business practices. However, the family's wealth was confiscated in 1705 when Yodoya was embroiled in a scandal.

Born: c. 1686; possibly Ōsaka, Japan
Died: date unknown; Japan
Also known as: Saburōemon
Sources of wealth: Inheritance; trade
Bequeathal of wealth: Confiscated

Early Life

Yodoya Tatsugorō (yoh-doy-ah taht-zuh-gaw-roh) was born to the fifth generation of successful Yodoya merchants in the city of Ōsaka, the commercial hub of Japan. Although sources differ somewhat in their history of the family, it seems that the Ōsaka house of Yodoya began in the late sixteenth century, when Tsuneyasu Yosaburo moved from Okamoto to Ōsaka to begin a lumber business under the trade name Yodoya. He prospered, building bridges throughout the city and supplying lumber to the great general Toyotomi Hideyoshi. Tsuneyasu's son Gento received a royal license to engage in the lucrative silk trade with China, which at this time, like most silk industries, was under a government monopoly.

The most important head of the house, Yodoya Ryoan, also known as Saburaemon, began selling foodstuffs, and around 1654 he offered his residence in the Kitahama district as a trading center for rice merchants. He built a bridge over the Tosabori River for easier access to the large rice fields that surround Ōsaka. The merchants not only exchanged rice but also traded bills of sale for future rice deliveries, over which they haggled and speculated. This sophisticated rice market developed into the famous Kitahama and Dojima Rice Exchanges, the first such markets in Japan. In 1688, the exchange was moved to more spacious quarters in Dojima. Supplying 100,000 *koku* of rice every year, Yodoya Ryoan became the leading rice merchant in Ōsaka.

Although Yodoya Tatsugorō was born to the family of greatest mercantile wealth in Tokugawa Japan, he remained a commoner in a rigidly stratified society, dominated by the daimyo—the hereditary, aristocratic feudal lords of Japan. Yet to the amazement of all, the opulence of the house of Yadoya exceeded not only the wealth of the aristocracy but also the fortune of the shogun ruler himself.

First Ventures

When he was young, Yodoya Tatsugorō's father died, and he was given an allowance by his mother. The accounts of the Yodoya possessions that are still extant describe the family as owning numerous estates, with their chief mansion covering 14,200 square yards, surrounded by a nine-acre garden. The mansion's interior was gilded with gold, and its screens were painted by famous artists. The summer chamber was made of glass and decorated with gold fish; the tea room was adorned with gold and silver; the reception chamber was filled with exquisite engravings; and the hallways were lacquered red. The mansion's garden was graced with a picturesque pond, elegant bridge, and trees imported from the far reaches of Japan and China.

The Yodoya family also owned forty-eight warehouses crammed with treasures of crystal, carpets, birds made of gold, antique scrolls, and Chinese brocades and silk. A cadre of clerks and superintendents watched over each warehouse. According to some accounts, the Yodoya family owned 250 fields and massive amounts of gold and silver coins. (The claim in the historical record that they owned 146,000 pounds of gold and 583,000 pounds of silver is almost certainly exaggerated.) The family was also a generous supporter of Buddhist monasteries. In addition to their own wealth, they were owed huge debts by many daimyo and the shogun.

Mature Wealth

There are various accounts of the fall of the house of Yodoya, including one in the *Setsuyo Ōsaka* (records of Ōsaka) and the original sources used by Isaac Titsingh in his eighteenth century memoir of Japan. The two most important facts, however, seem certain. First, at the age of nineteen, Yodoya Tatsugorō became embroiled in a great scandal arising from his opulent lifestyle and pleasures with courtesans. Second, the enormous wealth of the Yodoya family was confiscated by the shogun, and all debts owed to the house were canceled, resulting in ruin.

According to the accounts, Yodoya Tatsugorō lived a debauched lifestyle, amusing himself with women from the Shinmachi courtesan district of Ōsaka. He dressed in white robes and smoked a silver pipe, privileges usually permitted only to daimyo. He wanted to marry a courtesan of the highest station named Azuma, of the courtesan house of Ibaragiya. To do so, he needed to buy Azuma's contract for 200 gold pieces. This sum exceeded his al-

GREAT WEALTH AND SCANDAL

"There is no great fortune without a great crime," is a saying often attributed to the French novelist Honoré de Balzac. This proverb is well illustrated in *Les Misérables* (1862; English translation, 1862), written by Balzac's fellow novelist, Victor Hugo, which portrays the Thenardiers, a gang of thieves who accumulate wealth by robbing dead bodies in the sewers of Paris and trading slaves in the United States. Certainly many rich people have earned their fortunes honorably, but there are also people who have employed unseemly tactics to accumulate their wealth. For example, Maḥmūd of Ghazna, the founder of the Ghaznavid Dynasty in India in the late tenth century, gained his fortune through conquest and plunder.

Wealth has always been scandalous when ostentatiously displayed or contrasted with nearby poverty. Queen Marie-Antoinette's wealth and supposed indifference to the plight of the peasants created a scandal in eighteenth century France, as did the actions of Imelda Marcos in the twentieth century Philippines. The wife of Philippine president Ferdinand Marcos, Imelda became the object of opprobrium when it was revealed that she owned approximately three thousand pairs of shoes. The Nazi leader Hermann Göring, second-in-command to Adolf Hitler, built a great fortune on the ravages of World War II. His agents roamed the conquered states of Europe for priceless art and artifacts, which were sent to Göring's Carinhall mansion. The twentieth century has seen the sorry spectacle of heads of state, known as kleptocrats, looting their often impoverished nations of billions of dollars to be secreted in Swiss bank accounts.

How does one assess America's Gilded Age, sometimes called the Great Barbecue, in the latter half of the nineteenth century? It was a period filled with the scandalous grab for wealth by financiers like James Fisk and Jay Gould. However, this period also saw the industrialization and rapid growth of the nation's economy, with concomitant prosperity for many middle-class Americans. Were the magnates of that era "robber barons" or "captains of industry"?

The twentieth century has seen its share of financial scandals, no doubt connected to the increasing repository of human wealth in bearer instruments—documents, such as stock shares or bonds, which indicate that the bearer has a title in property. Charles Ponzi, who imparted his name to the greatest vehicle of financial fraud ever invented, the Ponzi or pyramid scheme, earned millions of dollars through his ruse. Bernard Madoff used the same ruse to bring $50 billion into his investment firm from 1990 to 2007; unfortunately, his prosecutors were unable to determine how many of these billions were kept by Madoff and his family, to the detriment of the cheated investors. The greatest financial swindle of the twentieth century, however, was probably that employed by Ivar Kreuger, the Swedish "Match King," who built a conglomerate of fraudulent companies in the 1920's and 1930's, bringing ruin to millions of people.

The very wealthy have also been involved in their share of personal scandal. For example, Harry Kendall Thaw was the heir to one of America's great fortunes, which his father, William Thaw, had amassed in the nineteenth century. On June 25, 1906, Harry Thaw shot and killed architect Stanford White in front of hundreds of people at Madison Square Garden's rooftop theater. Scandal can expose great wealth to danger. The Manchu official Heshen saw his immense wealth confiscated by the Chinese emperor and was executed when he was accused of scandal. Similarly, the immense fortune of the Yodoya family may have been seized by the shogun as punishment for Yodoya Tatsugorō's fraud, or the family's wealth may have been confiscated because Yodoya's scandalous behavior allowed the Japanese aristocracy to teach the mercantile class a lesson, while relieving itself of some very uncomfortable debts.

lowance, but his mother refused to extend him more money. Although he secretly pawned several of his family's heirlooms, he could not raise enough money to buy the contract or pay for his other accumulated debts.

A member of his coterie of servants and friends who accompanied him on his revels advised him to forge a bill of payment under his family name. One of his servants impersonated a banker to deliver the forged bill. When the forgery was discovered, the shogun ordered Yodoya's accomplices executed. Because of his family name, Yodoya's life was spared, but he faced an even harsher penalty. All of his family's wealth was confiscated, and the debt of 20,000 silver pieces owed to it by various daimyo, as well as the debt of 80,000 gold pieces owed by the shogun, were canceled. Yodoya was exiled to the town of Yamata, where he joined an order of priests.

This scandalous story of love, money, and downfall was reenacted in several Kabuki plays of the period, including *Keisei kogane no yodogoi* (courtesans and golden yodo carp), *Keisei hachisu no itu* (a courtesan and strings of lotus), and *Monju no kaichō* (the monju unveiling). Two novels of the affair appeared at the same time: *Karanshi daimon yashiki* (residence with the great quince gate) and *Chō kigen bukuro* (the millionaire's bag of treats). Yodoya's fall is said to have affected the rising mercantile class of Kyōto and Ōsaka. These merchants realized that enforcement of the debts owed to them relied entirely on the goodwill of the political authorities. As a result, they reduced their extravagant way of living and adopted a more modest lifestyle.

Legacy

The house of Yodoya is significant for both its rise and its fall. During its rise, it was clearly one of the most innovative groups of merchants in the history of Japan. The Yodoya family developed the first market exchange for rice, which would play a central role in the Japanese economy for centuries. In fact, legal scholar Mark West has described the Dojima Rice Exchange as the world's first organized futures market, in which money was exchanged for promissory notes for the future delivery of rice. Because rice was so important to the Japanese economy, these promissory notes represented a form of currency, the value of which derived from changing rice prices. As a form of financial "derivatives," these notes became the source of frantic bidding, with traders speculating on their value.

Numerous lessons can be derived from the Yodoya family's fall. Tokugawa Japan was rigidly divided into hierarchical groups, with merchants occupying the lowest rung. However, in the unified, stable economy that the Tokugawa shogunate made possible, Ōsaka merchants achieved great wealth, far in excess of the other social classes. Contemporary accounts are in awe of the wealth and luxuries displayed by the house of Yodoya. The shogun and daimyo depended on the Yodoya family and other merchants for loans but also expressed shame at being in debt to members of such a lowly caste. The destruction of the house of Yodoya may have been the Japanese officials' fierce reaction to the unseemly rise of the merchant class, a confiscation with an air of legality due to Yodoya Tatsugorō's indiscretions. Certainly the feudal lords relieved themselves of a great debt when they vanquished the house of Yodoya.

Perhaps the most intriguing explanation for the family's fall has been offered by legal scholars. They claim that the attack on the house of Yodoya may have been a financial regulatory reform, with the shogun expressing disapproval of the disordered futures speculations of the Dojima Rice Exchange.

—*Howard Bromberg*

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See also: Mitsui Takahira; Mitsui Takatoshi.

SIR DAVID YULE

British merchant and industrialist

Yule became the owner and manager of Andrew Yule & Co., one of the largest trading and industrial companies in India, expanding the business to become one of the richest and most powerful men in the country.

Born: August 4, 1858; Edinburgh, Scotland
Died: July 3, 1928; Hertfordshire, England
Sources of wealth: Trade; real estate
Bequeathal of wealth: Spouse; children

EARLY LIFE

Sir David Yule (yewl) was born in Edinburgh, Scotland, on August 4, 1858, the son of David Yule, the assistant keeper of the general register of the sasines (legal documents that record the transfer of ownership of a parcel of land or a building). Young David received his education at the Royal High School in Edinburgh and then spent three years learning the cotton trade in Oldham.

Yule's uncles, Andrew and George, had been merchants and traders in Great Britain in the nineteenth century and increasingly had business activities in India. In 1863, Andrew Yule went to Calcutta, India, to establish himself as a merchant and agent, founding a firm known as Andrew Yule & Co. that traded in jute, cotton, tea, and other goods. The company expanded to manage jute, cotton, and flour mills; tea plantations; coal mines; and rail and inland navigation companies. By 1866, Andrew Yule & Co. was well established enough to join the Bengal Chamber of Commerce.

In 1875, David Yule and his uncle George went to India to manage the Bengal Cotton Mills for Andrew Yule & Co. David was a hard worker and soon took the lead in the business.

FIRST VENTURES

David became a partner in Andrew Yule & Co. and in 1887 bought his Uncle Andrew's share. Andrew was taking increasingly long visits back to England, where he finally moved permanently in 1888, and David replaced him as the company's resident partner in India. George left for England in 1891, and David assumed complete control of the firm's business in India the following year. In 1899, the firm controlled assets in excess of £1.2 million. When Andrew died in 1902, David became sole owner of the firm.

Yule greatly expanded the range of the company's business ventures in India. His faith in the tea industry led to his acquiring numerous tea estates. The growth of the jute and tea industries required the transportation of goods to the mills and for export. In 1883, the firm formed its own Inland Flotilla Company, and in 1895 the company founded the Bengal Assam Steamship Company in order to engage in inland navigation. The steam-

HANSTEAD HOUSE

In 1920, Sir David Yule retired from his business in India and returned to live in Great Britain. In 1925, he decided to build a mansion on a twelve-hundred-acre estate near Bricket Wood, Hertfordshire, five miles northwest of London. While a Georgian-style mansion was being constructed on the property, Yule built a temporary home, consisting of two stories and fourteen rooms, which later became the guest house. Yule died in 1928, and his elaborately carved tomb, showing various aspects of his life, is located on the grounds of Hanstead House.

The house and property were inherited by Yule's widow, Lady Annie Yule, and her daughter Gladys. The two women were world travelers who enjoyed big-game hunting and loved animals. The house is said to have housed a large stuffed bear killed on a trip to the Rockies, and the grounds were home to various animals. To house Arabian horses, the women added a set of famous stables. Gladys Yule died in 1957, and Hanstead House was put up for sale, remaining unsold for several years.

In 1959, the house, grounds, and stables were purchased for $22,800, by Herbert W. Armstrong, who used them as the site for the second campus of his Ambassador College. He renamed the house Memorial Hall as a memorial to his deceased son, Richard David Armstrong. From this college campus, Armstrong and his son, Garner Ted Armstrong, made worldwide broadcasts of their radio program *The World Tomorrow*. The college made improvements to the grounds in the form of tennis courts, an Olympic-standard indoor swimming pool, a track, and a gymnasium. Ambassador College closed in 1974, and the sports facilities were sold separately. The swimming pool, the most modern pool in the area, became the Bricket Wood Sports Centre, and in 1979 it became home to the Verulam Amateur Swimming Club. The college itself was used as a training school for electric power companies and in 1993 was sold to the HSBC Bank as a training center.

ship firm was so successful that in 1906 Yule established Port Shipping Ltd, which became the largest lighter (barge) service for Calcutta.

Mature Wealth

Yule founded Midnapore Zemindary Co. Ltd in 1902 in order to purchase and develop land in Bengal. On its twenty-four hundred square miles, Midnapore Zemindary promoted agriculture, forestry, fishing, and other industries and founded schools and hospitals. Realizing the importance of coal to India's new industrial economy, Yule expanded and consolidated the firm's substantial activities in Indian coal mining, and in 1908 the company became managing agents of Bengal Coal Ltd.

This broad range of commercial activities made Yule the most important businessman in India. His firm's business ventures were certainly aided by his friendship with Vivian Hugh Smith, a partner in the banking firm of Morgan Grenfell & Co. Yule's preeminence as a British businessman in India was signaled in 1911-1912, when King George V was on a trip to India and asked to meet the most important businessman in Calcutta, who he was told was Yule. During the king's visit, Yule was given a knighthood in 1912; he was made a baronet in 1922. When asked why Yule deserved the knighthood, a friend replied, "He has provided food and employment for about 200,000 people. Is not that sufficient reason?"

Yule was a shy and private person. Although he married and had a daughter, he led a solitary life, completely absorbed in his business. In India, he initially lived at one of his company's mills before moving to Calcutta in 1900. After 1907, he lived above the offices of Andrew Yule & Co. He seems not to have socialized with the European community in Calcutta. He took no role in public affairs or commercial politics. It is said he never took a holiday, and only after eighteen years did he return to Great Britain for a visit. His sole interest was in the Calcutta business, and he ignored its London offices.

Yule had no heir to inherit his business; his brothers, who had been partners or worked for the firm, were deceased, and many junior men in the firm were lost in World War I. In 1916, he decided to sell the firm, which now managed more than sixty companies. Worried that the company would fall into the hands of men who would not run it according to his principles, in 1917 he sold the firm to J. P. Morgan & Co. and Morgan Grenfell & Co., who became the major shareholders for £600,000. The newly created company was known as Andrew Yule & Co. Ltd. Yule stayed on as chairman of the new company. Thomas Catto, a Scottish businessman, was sent to India as vice chairman and partner and to manage the firm; he later became governor of the Bank of England.

Yule retired from active involvement in the firm in 1920 and returned to England, where he built and lived at Hanstead House, Bricket Wood, Hertfordshire. In England, he continued his involvement in the world of business by serving as a director of numerous companies. In 1926, he began purchasing newspapers in England and India. He first bought United Newspapers from the prime minister, David Lloyd George, with the understanding that the *Daily Chronicle* would continue to support progressive liberalism. He later bought two newspapers in Calcutta.

Yule died on July 3, 1928. His obituary in *The Times* of London described him as "one of the wealthiest men, if not, indeed, the wealthiest man, in the country."

Legacy

David Yule created a vast mercantile and industrial empire that contributed to the industrialization of India. By 2010, the government of India owned almost 97.5 percent of the stock of the former Andrew Yule & Co. Ltd., now called the Andrew Yule Group. Based in Kolkata (the new name of Calcutta), the group's Web site describes it as a $124 million (in American currency) "multiproduct, multiunit conglomerate" with "diverse business interests" in power, telecommunications, engineering and the environment, industrial electronics, tea, printing, financial services, and other ventures.

—*Thomas McGeary*

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See also: William Jardine; John Palmer; Richard Thornton.

FELIX YUSUPOV

Russian aristocrat, socialite, and landowner

As the heir to what was arguably the largest fortune in Russia, Yusupov used his wealth to support causes benefiting the poor, as well as his scandalous social life. His immense financial and property assets positioned him to play a pivotal, controversial role in Russian history.

Born: March 23, 1886; St. Petersburg, Russia
Died: September 27, 1967; Paris, France
Also known as: Prince Felix Felixovich Yusupov II; Feliks Yusupov; Feliks Feliksovich Yusupov; Felix Yussopov; Felix Felixovich Yussopov
Sources of wealth: Inheritance; real estate
Bequeathal of wealth: Children

EARLY LIFE

The Yusupov family descended from Mongol warlords who settled in Russia in the 1300's. One family member converted from Islam to Christianity and was named Prince Dmitri Yusupov by Czar Fyodor III. Firmly establishing themselves as trusted retainers to the Romanov czars, the family by the late 1880's had amassed tremendous wealth.

The Yusupov male line died out in 1891. The heiress, Princess Zenaida Yusupova, married Felix, count of Sumarokov-Elston, on whom Czar Alexander III conferred the title of Prince Felix Yusupov I. Their second son, born prior to the imperial conferral, became Prince Felix Felixovich Yusupov II, also known as Felix Yusupov (FAY-lihks yoh-SOH-pohv). In 1908, when his older brother Nicholas lost his life in a duel, Prince Felix II stood to inherit all the Yusupov holdings.

FIRST VENTURES

Yusupov was an undergraduate student at Oxford University from 1909 to 1912. Shortly before journeying to England, he began the characteristically paradoxical disposition of his wealth, spending a portion of it on charitable donations and another on decadent social outings. Even before his brother's death, Yusupov's controversial personal life was well known. The young man enjoyed dressing as a woman, smoked opium, patronized brothels, and engaged in both heterosexual and homosexual liaisons. His behavior brought great embarrassment to his parents, who expended considerable effort and money to discipline and change their wayward son, to no avail. However, while accompanying Grand Duchess Elizabeth, who had become a nun, and engaging in charity work in St. Petersburg's impoverished districts, Yusupov was so shocked with conditions there that he began to disburse sums of money to ameliorate them. His marriage on February 22, 1914, to Irina Alexandrovna Romanov, the niece of Czar Nicholas II, brought him renewed respectability and somewhat moderated his behavior. Their daughter and only child, Irina Yusupova, was born on March 21, 1915.

MATURE WEALTH

By late 1916, Yusupov had joined a growing throng of dismayed aristocrats and middle-class politicians who believed that anger at Russian battlefield losses in World War I, food shortages, and perceptions of corruption in government, including the widespread belief that the czar and czarina had come under the thumb of the unsavory peasant priest, Grigori Yefimovich Rasputin, was leading the monarchy to disaster. During the early morning hours of December 16, 1916, Yusupov lured Raspu-

Felix Yusupov. (Hulton Archive/Getty Images) tin to his St. Petersburg residence at Moika Palace, and, with the aid of other conspirators, assassinated the priest. Yusupov was never arrested for this offense. After the March, 1917, revolution that overthrew the czar, the Yusupovs escaped to the Crimea and boarded a British ship, sailing into exile. Most of the Yusupov fortune had to be left behind and was lost forever. Estimates vary, but prior to the revolution and his exile, the prince's inheritance was worth some $500 million. Assets included a total of seven palaces in St. Petersburg and Moscow; some forty landed estates; scattered factories and mines; and sumptuous art, porcelain, and jewelry collections.

Legacy

For all his wealth and philanthropy, Felix Yusupov was never able to break away from his notoriety as Rasputin's killer. Financially compelled to capitalize upon this lurid murder, he collected the royalties from three published versions of the event. He had to sell some Rembrandts and other treasures that he managed to smuggle out of Russia, and he won a lawsuit against MGM (Metro-Goldwyn-Mayer) Studios for allegedly defaming his wife. In exile in Paris, the Yusupovs were praised for their generosity in assisting fellow émigrés, but their charity further whittled down their financial assets. Business ventures, notably a fashion boutique called Irfe, failed, though the Yusupovs were still able to exist comfortably, if not ultraluxuriously as before. By the twenty-first century, the family fortune had virtually disappeared, absorbed into the Soviet and later the Russian states, although much has been preserved at Moika Palace, which serves as a tourist attraction.

—*Raymond Pierre Hylton*

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See also: Ivan Borisovich Cherkassky; Aleksandr Danilovich Menshikov; Nikita Romanov; Pavel Ryabushinsky; Grigory Stroganov.

BASIL ZAHAROFF

Greek arms dealer

Zaharoff made a fortune by selling munitions to opposing sides in numerous wars. His wealth and scheming business practices established him as a man of great power in many countries. During World War I, statesmen and leaders of the Allied forces typically consulted with Zaharoff before planning significant attacks.

Born: October 6, 1849; Muğla, Ottoman Empire (now in Turkey)
Died: November 27, 1936; Monte Carlo, Monaco
Also known as: Basileios Zacharias (birth name); Sir Basil Zaharoff
Source of wealth: Trade
Bequeathal of wealth: Children; educational institution

EARLY LIFE

Basil Zaharoff (BAZ-ihl ZAH-uhr-of) was born to Greek parents while they were living in Turkey. When Zaharoff was about six years old, his family moved to Tatavla, a poor area near Constantinople (now Istanbul). Young Zaharoff enjoyed learning foreign languages and had a great ability to do so. He sought business experience by trying his hand at a variety of jobs, including tourist guide, fireman, and money changer.

FIRST VENTURES

On October 14, 1877, Zaharoff was hired as the sales representative for the Swedish arms manufacturer Nordenfelt. Shortly thereafter, Zaharoff sold a steam-driven submarine built by Nordenfelt to Greece. He then convinced Turkey to buy two of the submarines and Russia to do likewise in order to maintain a military balance in the Balkans. Zaharoff was paid well for his efforts and was off to a spectacular career as an arms dealer.

Through some clever maneuvering instigated by Zaharoff, Hiram Stevens Maxim, inventor of the automatic machine gun, was forced to merge his company with Nordenfelt in 1886. Zaharoff was appointed as the principal salesman of the Nordenfelt-Maxim company and worked for a substantial commission rate. After Nordenfelt and Maxim parted ways in 1890, Zaharoff stayed with Maxim and purchased enough shares to gain control of the company.

Basil Zaharoff. (Hulton Archive/Getty Images)

MATURE WEALTH

In 1895, Vickers, Sons & Company, the second-largest manufacturer of arms in Great Britain, purchased the Maxim company. Zaharoff was appointed to Vickers's board of directors and oversaw munitions companies associated with Vickers in many countries. To enhance munitions dealings with numerous countries during World War I, Zaharoff purchased a bank in Paris in 1918 in order to control the financing arrangements of any consummated deals. By supplying munitions to the Allied forces, Zaharoff grew his fortune.

Zaharoff seemed to know when and how to invest for his financial gain. Recognizing the importance of petroleum in the world, Zaharoff made several investments in the oil industry. In 1922, he organized a British-owned integrated oil industry in France. His assets rose to more than $45 million. Under his direction, Vickers merged with munitions manufacturer Armstrong Whitworth in 1927 to form Vickers-Armstrong Ltd.

After retiring from the weapons business, Zaharoff gained control of the Casino de Monte Carlo in Monaco. Implementing his crafty business skills in the gambling arena, he greatly increased his financial assets. After he had made enough money, he sold the casino for a significant profit. Although he kept most of his financial affairs quite secret, his estimated worth when he died in Monaco in 1936 was more than $500 million.

Legacy

More than any other individual, Basil Zaharoff developed the international market for military weapons. He was a genius at using the munitions industry for his financial gain. A crafty, shrewd businessman, Zaharoff established credentials of respectability and power with many important officials and leaders of different countries that he used to his advantage. His numerous financial gifts, which he considered investments in goodwill, rewarded him both financially and politically.

In 1908, Zaharoff was made a Knight of the Legion of Honor of France. Five years later, he was promoted to be an Officer of the Legion of Honor, and in 1914 he was elevated to the rank of commander in the organization. In 1918, he was awarded the Grand Cross of the Order of the British Empire and named a Knight of Bath, Sir Basil Zaharoff. Shortly thereafter, he was decorated as a Grand Officer of the French Legion. In 1919, he received the highest decoration that France could offer, the Grand Cross of the Legion.

—Alvin K. Benson

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Shantidas Zaveri

Mughal merchant and banker

The most prominent jewelry merchant of the bejeweled Mughal court, Zaveri traded diamonds with exchanges in South Asia, Arabia, and Europe.

Born: c. 1587; Ahmedabad, Gujarat (now in India)
Died: 1659; Ahmedabad, Gujarat
Source of wealth: Trade
Bequeathal of wealth: Children

Early Life

Shantidas Zaveri (shahn-TIHD-ahs zah-VEHR-ih) was born around 1587 in the Mughal *subah* (province) of Gujarat. His father Sheskarana and his grandfather Vachhasha were prominent jewelers of the Jain community. The Mughal Empire was the powerful Muslim dynasty that ruled much of India from the sixteenth to the nineteenth century. Operating under a confluence of Persian, Muslim, Hindu, Turkish, and Asian influences, the empire was a center of trade and a repository of vast wealth. Located on the west coast of India, Gujarat was a center for the flourishing maritime trade between India and Arabia, the China Sea, and Europe. Gujarati merchants, such as Virji Vora, Abdul Ghafur, Mulla Muhammad Ali, Ahmed Chameli, Haji Muhammad Zahid Beg, Haji Kasim, Shaik Hamid, Saleh Chalebi, Hari Vaishya, and Haji Abdul Nabi, were among the wealthiest in the world. As a measure of the wealth that passed through western India, it has been calculated that in 1571 the sultanate of Gujarat received customs revenues from its ports of 4 million rupees on a sea trade of approximately

80 million rupees, equivalent to about $9 billion in 2010 currency. Gujarat was conquered and annexed to the Mughal Empire in 1576. Ahmedabad was the capital of the *subah* of Gujarat, and its trade in jewelry was so extensive that jewelers had their own settlement, the Zaverivad, located near the mint. (Zaveri, a surname often appended to Shantidas, refers to the jewelry business.)

First Ventures

Members of the Jain religion were prominent in Indian trade and business, in part because of religious strictures that discouraged occupations such as farming and husbandry. Already in thirteenth century Gujarat, the Jain trader Jagdu was famous for his enormous wealth. Shantidas was heir to this tradition. He dominated not only the jewelry industry but also the commerce in Ahmedabad. His ships were among the most profitable of the Indian Ocean maritime trade. Diamonds, pearls, rubies, emeralds, and other precious stones were in great demand by India's Mughal rulers and by the courts and nobility of Europe. In fact, precious jewels and diamonds have a long history in India, in production, in trade, and in adorning the royal and aristocratic families of the subcontinent.

Shantidas regularly visited Bijapur, the center of Indian diamond mining, to purchase the finest diamonds, which he would sell to the Mughal rulers. He kept close business relations with jewelers in London, Paris, Florence, and Antwerp. The British East India Company first sailed to Gujarat in 1608, establishing a factory there four years later. With his accumulation of capital, Shantidas played the role of chief money changer (*shroff*) of Ahmedabad. He advanced loans to the British East India Company; for example, in 1627, he lent the English factory in Gujarat 10,000 rupees at 12 percent interest per year.

Shantidas was jeweler to the rich Mughal emperors and officials, as wealthy a court as existed anywhere in the world. (The riches of the Mughals were so fabled that the contemporary word "mogul" derives from the word "Mughal.") Much of Shantidas's success was built on his ability to accurately assess the quality of diamonds and other precious stones and to anticipate the desires of his Mughal patrons. He was able to speak with the Mughals in their native Persian. He sold precious jewels to Emperor Shah Jahan, builder of the Taj Mahal, and to the princes Asaf Khan and Dara Shikoh. Emperor Jahāngīr purchased a diamond worth a reputed 1 million rupees from Shantidas.

Mature Wealth

The Mughals conferred the title of *Nagarsheth* (head merchant) on Shantidas and presented him with gifts, such as elephants, pearl earrings, and inlaid robes. Shantidas was entrusted with responsibility for Jain pilgrimage sites and temples. In 1625, he built the opulent Jain temple of Chintamani in Saraspur, one mile to the east of Ahmedabad. At this time it was one of the grandest temples in India, with imposing stone courtyards and two immense black marble elephants guarding the entrance. When Aurangzeb was *subahdar* (governor) of Gujarat, he had the temple desecrated in 1645 by killing a cow in the courtyard and then converting the building to a Muslim mosque. Shantidas appealed to Emperor Shah Jahan, who had the temple restored and Shantidas compensated. Nevertheless, when Aurangzeb became emperor he had the temple destroyed.

Shantidas made donations to Jain monasteries and helped the monks preserve Jain religious manuscripts. He even intervened in the appointment of monks to positions of authority. In 1656, Shantidas was given custody of the Palitana Hills, site of numerous Jain temples, for which he paid rent to the Mughals.

The Mughal rulers were foreign Muslims ruling an empire of Ismāʿīlīs, Hindus, Parsis, Turks, and Jains. Learning to enrich themselves through trade, customs, and taxes, the Mughals depended on merchant princes, such as Shantidas, Virji Vora, and Abdul Ghafur. Shantidas was able to employ the power of the *mahajans*—guilds of Indian merchants—to great advantage. As *Nagarsheth*, Shantidas commanded the citywide *mahajan* representing all of the individual *mahajans* of Ahmedabad. As such, he served as the intermediary between the Indian merchant class and the Mughal governors. When English pirates robbed Shantidas's ships in 1636, he pressured the Mughal *subahdar* to imprison two English businessmen in order to obtain restitution.

In their dynastic wars of succession the Mughal rulers often turned to Gujarati merchants, such as Shantidas, to lend them the money needed to equip their armies. Mughal rulers also eyed merchants whose wealth exceeded their own, and in times of chaos Shantidas was subject to extortion. When Emperor Shah Jahan was ill, his son Prince Murad Baksh forced Shantidas to pay a sum of 5.5 lakhs of rupees (1 lakh equals 100,000 rupees). When the Emperor Aurangzeb ascended to the throne, he ordered repayment to Shantidas and issued a declaration of goodwill to the *mahajans* he represented.

The title of *Nagarsheth* was hereditary and passed down to Shantidas's descendants, including his son

Jewelry and Great Wealth

Throughout history, jewelry has been both the progenitor and repository of great wealth. Almost every known human society has used jewelry for adornment, as currency, as wealth, and as a symbol of status. Jewelry is made of precious metals and gemstones, including gold, silver, diamonds, pearls, jade, rubies, emeralds, opals, and sapphires.

For almost one thousand years, the wealth and pomp of England have been symbolized by the crown jewels of its monarchs. The Anglo-Saxon kings began accumulating the jewels and regalia that adorned the English sovereigns; the Stuarts and Hanovers greatly enriched the collection. The crowns of the British monarchs are encrusted with the finest jewels from India and other colonial possessions of Great Britain. In France, the Affair of the Diamond Necklace in 1785 propagated rumors of Queen Marie-Antoinette's extravagance with jewelry and contributed to the fall of the Bourbon monarchy.

Jade adorned the wealthy people of China and Mesoamerica, and silver and gold decorated the ancient Pharaohs, but diamonds are perhaps the most valued of all jewels. The most famous diamond is possibly the 45.52-carat Hope Diamond. Other famous diamonds from history include the 3,106.75-carat Cullinan, the 105-carat Koh-i-Noor (meaning "Mountain of Light"), the 24.04-carat Moon of Baroda, the 190-carat Orloff, the 140.50-carat Regent, the 9-carat Conde, the 340-carat Nizam, the 90-carat Briolette of India, and the 69.42-carat Taylor-Burton. Many of these diamonds originated from the fabled mines of Golconda in India and were owned by the world's wealthiest monarchs, aristocrats, and industrialists. In modern times, jewelers such as Garrard and Company of London; Tiffany & Co., founded by Charles Lewis Tiffany; Cartier, founded by Pierre Cartier; Frederic Boucheron of Paris; Peter Carl Fabergé; Van Cleef and Arpels; Harry Winston; and Bulgari of Rome have achieved worldwide fame trading and setting magnificent diamonds. Since the late nineteenth century, South Africa has been the leading source of gold and diamonds; the De Beers conglomerate, based in Johannesburg, South Africa, has dominated the production and trade in diamonds.

Diamonds were mined first in India, and India remained the exclusive producer of diamonds for two millennia until these gems were discovered in Brazil and South Africa. The maharaja rulers of eighteenth and nineteenth century India possessed almost unimaginable wealth. Much of it was held in exquisite diamonds and gold mined and fashioned in India. Fabulous collections of diamonds and jewels were owned by maharaja dynasties, such as the Asaf Jah of Hyderabad, whose collection is now held in the Nizam Jewellery Trust; the Wodeyars of Mysore; the Scindias of Gwalior; the Jamwal Rajputs of Jammu and Kashmir; and the Holkars of Indore. Perhaps the most spectacular manifestation of the immense wealth of the maharajas was the Baroda treasury of the Gaekwad Dynasty of western India. Collected from the nineteenth to the twentieth century, the Baroda treasury included exquisite diamonds, such as the 128.48-carat Star of the South, the 51-carat Princess Eugénie, and the 88.7-carat Shah. The Baroda treasury also contained priceless gold and silver jewelry, carpets sewn with precious stones of every kind, and gorgeous pearl necklaces.

Lakhmichand and his grandson Khushalchand. Born in 1674, Khushalchand would himself become a prominent Gujarati merchant and play a major role in the affairs of the later Mughal Empire.

Legacy

As the leading jeweler of the Mughal rulers and *Nagarsheth* of the *mahajans*, Shantidas Zaveri was a power at the Mughal court, an authority in Jain religious matters, head of the business community, and both a rival to and partner with Europeans. Some modern Indian historians point to Shantidas as a prototypical "economic nationalist," who was able to use his vast wealth to assert Indian and Jain identity against Middle Eastern and European powers. Shantidas established a business dynasty that lasted into the twenty-first century. His descendants, the Lalbhai family of Gujarati merchants, expanded into textile factories, chemical production, and other industries. One of India's leading industrialists and philanthropists of the twentieth century, Shri Kasturbhai Lalbhai (1894-1980), proudly traced his family lineage to Shantidas.

—*Howard Bromberg*

Further Reading

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Mehta, Makrand. *Indian Merchants and Entrepreneurs in Historical Perspective: With a Special Reference to Shroffs of Gujarat, Seventeenth to Nineteenth Centuries*. Delhi, India: South Asia Books, 1992. Includes detailed biographies of great Gujarati merchants, such as Virji Vora and Shantidas. *Shroffs* refers to money changers.

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See also: Aurangzeb; Fateh Chand; Abdul Ghafur; Kokichi Mikimoto; Osman Ali Khan; Philip Rundell; Shah Jahan; Charles Lewis Tiffany; Virji Vora.

Great Lives from History

Appendixes

More Wealthy Persons from History

The following appendix list of 154 wealthy individuals not covered in other essays in this publication is arranged alphabetically by last name and includes dates of birth and (where applicable) death, along with a synopsis of the figure's historical significance as it relates to his or her wealth. Other noteworthy persons of great wealth are indicated in small capital letters.

–Howard Bromberg

A

Abramov, Alexander (b. 1959): Russian. Abramov is one of the Russian oligarchs, a group of entrepreneurs who made billions of dollars from Russia's abundant natural resources after the fall of the Soviet Union. A former scientist, Abramov heads EvrazHolding, Russia's largest steel production company. He was ranked number 121 on *Forbes* magazine's 2010 list of billionaires, with an estimated net worth of $6.1 billion.

Abramovich, Roman (b. October 24, 1966): Russian. After investing in the Russian oil giant Gazprom and other businesses, Abramovich had a net worth of $23.5 billion in 2008. He owned England's Chelsea football club; mansions in London and Aspen, Colorado; and a spectacular collection of yachts, including the 557-foot *Eclipse*. In 2010, Abramovich was ranked the fiftieth-wealthiest person in the world, according to *Forbes* magazine, with an estimated net worth of $11.2 billion.

Akmetov, Rinat (b. September 21, 1966): Ukranian. In 2008, Akhmetov's net worth was $31 billion, the bulk of which was derived from his steel and coal businesses. By 2010, his personal fortune had dropped to $5.2 billion, according to *Forbes* magazine, which ranked him number 148 on its list of world billionaires.

Albrecht, Karl (b. February 20, 1920): German. Albrecht owned the Albrecht Discount (Aldi) supermarket chain with his brother Theo Albrecht (1922-2010). In 2010, Aldi operated more than eight thousand stores worldwide; Karl's fortune was estimated at $23.5 billion and Theo's at $16.7 billion.

Aldrich, Lucy Truman (1869-January 12, 1955): American. Aldrich was the daughter of U. S. senator Nelson Wilmarth Aldrich (1841-1915), a leader of the Senate's "Millionaires Club" who was instrumental in creating the Federal Reserve. Lucy made news when she was kidnapped by bandits in China in 1923. An international art collector, she donated her artworks to Rhode Island museums.

Allan, Sir Hugh (September 29, 1810-December 9, 1882): Canadian. Allan immigrated to Canada in 1826 in order to advance his family's shipping business, later launching into railroads and banks. By the 1870's, he was Canada's leading capitalist, with far-flung interests in steelmaking, insurance, real estate, fishing, mining, coal, and cotton. Allan and his wife Caroline raised thirteen children in their 609,260-square-foot Italianate mansion, Ravenscrag, built in 1863 in Montreal. He bequeathed a fortune of $8 million, the largest bequest in Canadian history.

Amin al-Zarb, Haj Muhammad Hassan (c. 1834-December 22, 1898): Iranian. The first major entrepreneur of modern Iran, Amin al-Zarb imported luxury items for the shah; established factories and mining operations; acquired land; traded silk, opium, and tobacco; and built railroads. As a banker and money changer, he was appointed master of the Persian mint by Nasir al-Din Shah. In his book *For God, Mammon, and Country: A Nineteenth Century Persian Merchant, Haj Muhammad Hassan Amin al-Zarb* (1999), author Shireen Mahvdavi estimates that Amin al-Zarb's fortune ranged from 1 to 25 million Persian tumans, with the latter figure equivalent at the time to more than $1 million. His son Haj Husayn Aqa Amin al-Zarb II expanded the family industries.

Arnault, Bernard (b. March 5, 1949): French. Arnault founded the company that manufactures the LVMH (Louis Vuitton Moet Hennessy) brand of luxury goods. His net wealth in 2010 was $27.5 billion.

Astor, Nancy (May 19, 1879-May 2, 1964; Viscountess Astor; Lady Astor; Nancy Witcher Langhorne Astor): English. Astor was born to the wealthy Langhorne family, and in 1906, she married the wealthier Waldorf Astor.

Entertaining lavishly in Cliveden, the couple's Italianate estate in Buckinghamshire, England, Astor was famous for her wit, although she was once famously bested by Winston Churchill. Astor remarked, "Winston, if I were your wife I'd put poison in your coffee," to which Churchill replied, "Nancy, if I were your husband I'd drink it." In 1919, Astor became the first female member of Parliament.

Azcárraga, Emilio, Jr. (September 6, 1930-April 16, 1997; Emilio Azcárraga Milmo; El Tigre): Mexican. The son of Mexican newspaper magnate EMILIO AZCÁRRAGA VIDAURRETA (1895-1973), Emilio Azcárraga, Jr., expanded into media markets in Latin America and the United States and into real estate and sports holdings.

B

Baghayogho, Muhammad (1523/1524-1594; Muhammad ibn Mahmud ibn Abi Bakr al-Wangari al-Tinbuktui): Malian. In medieval times, Timbuktu was the most prosperous city in the Mali and Songhai Empires, in which merchants traded salt, ivory, gold, and slaves. The merchants of Timbuktu spent lavishly to acquire and copy Islamic manuscripts. Books represented wealth and prestige in Timbuktu's golden age, and Baghayogho built an impressive library that continued to be treasured in the twenty-first century.

Bakrie, Aburizal (b. November 15, 1946): Indonesian. Bakrie inherited control of the Bakrie conglomerate from his father, Ahmad Bakrie. Since then, Bakrie & Brothers has seen its fortunes wax and wane. In 2007, *Forbes* magazine estimated Bakrie's wealth at $5.4 billion, making him the world's richest Indonesian.

Balbus, Lucius Cornelius (c. 100 B.C.E.-after 30 B.C.E.; Balbus the Elder; Lucius Cornelius Balbus Major): Roman. Balbus was born in Cadiz, Spain, which in the first century B.C.E. was a Roman province. As Julius Caesar's chief assistant, Balbus acquired spoils from Caesar's Gallic Wars. Skillfully wending his way through Rome's civil wars, Balbus accumulated estates and gold. His will left 100 sesterces (about $500) to each Roman citizen, amazing the populace with his wealth.

Batista, Eike (b. November 3, 1957): Brazilian. With holdings in Brazilian oil, mining, real estate, and energy, Batista had a fortune of $27 billion in 2010.

Bemberg, Otto (May 1, 1827-March 2, 1896): Argentinian. A German immigrant to Argentina, Bemberg exported Argentine grains. In 1886, he established the Quilmes brewery, the largest in Argentina. His son, OTTO SEBASTIÁN BEMBERG (1857-1932), created a worldwide conglomerate with operations in brewing, banking, real estate, public utilities, cotton, wool, tea, and dairy. Several family members were charged with tax evasion in 1951. In 2010, the Bembergs were the richest family in Argentina.

Benetton, Luciano (b. May 13, 1935): Italian. Benetton has been the chairman of the Benetton fashion corporation since he founded it in 1965 with his three siblings—GIULIANA (b. 1937), GILBERTO (b. 1941), and CARLO (b. 1943). The Benneton Group has been innovative in its creation of colorful designs and its procedures for subcontracting, franchising, and advertising for the United Colors of Benetton. In 2010, the four Benetton siblings were each worth $2.1 billion.

Bettencourt, Liliane (b. October 21, 1922): French. An only child, Bettencourt inherited her fortune from her father, EUGÈNE SCHUELLER (1881-1957), founder of the L'Oréal Group cosmetics company. In 2010, she was the richest woman in the world, with a net worth of $20 billion. She was also engaged in a lawsuit with her estranged daughter, Françoise Bettencourt-Meyers, over her mental capacity to dispose of her fortune.

Bingham, William (March 8, 1752-February 6, 1804): American. An Atlantic shipper, Bingham was the wealthiest merchant in the Pennsylvania colony. He also acquired two million acres in Maine, then part of Massachusetts. Like Bingham, the wealthy banker THOMAS WILLING (1731-1821) was a Pennsylvanian delegate to the Continental Congress.

Bleichröder, Gerson von (December 22, 1822-February 18, 1893; Baron von Bleichröder): German. Bleichröder's bank helped finance Otto von Bismarck's transformation of the Prussian state and wars in Europe. Bleichröder's fortune of 40 million marks was rivaled in Germany only by that of Alfred Krupp. The first German Jew to be ennobled, Bleichröder bequeathed his bank and his fortune to his sons; both bequests were obliterated in lawsuits and in the Aryanization campaign of the Nazis.

Bolívar, Simón (July 24, 1783-December 17, 1830): Venezuelan. Born to a Venezuelan family who became wealthy from sugar estates and copper mines, Bolívar is celebrated as the liberator of South America.

Brooks, Peter Chardon (January 6, 1767-January 1, 1849): American. Insuring ships in the lucrative maritime trade, Brooks became the wealthiest New Englander in the early nineteenth century. He bequeathed $1.3 million to his seven children.

Bunzaemon, Kinokuniya (1669-1734): Japanese. A lumber and food merchant in Edo (now Tokyo), Bunzaemon rivaled the mercantile house of Yodoya in wealth and extravagance. In 1704, he paid 1,000 gold pieces to rent the Yoshiwara pleasure district for a night. In 1709, his trading house collapsed, although he was able to bequeath a substantial fortune to his son.

Buring, Henning (c. 1430-1499): German. Based in Hamburg, Germany, Buring was a wealthy merchant of the powerful Hanseatic League of Baltic and North Sea traders. He traded with English merchants, and he left an estate of 46,000 marks.

C

Cheong Fatt Tze (1840-September 11, 1916; Zhang Bishi; Teoh Tiauw Siat; J. P. Morgan of China): Malaysian. A member of the Hakka minority in China, Cheong immigrated to Penang, Malaysia, in 1856 and built a business empire consisting of banks, wineries, textile works, glassworks, and cattle, rubber, and tea farms. He had eight wives and many concubines. Cheong established the Chung Hwa Confucian School in Penang. Among his many residences, the most notable is the fifty-six-thousand-square-foot Blue Mansion in Penang, built in classical Chinese style with five courtyards.

Chew, Thomas Foon (1889-1931; Asparagus King): American. 1n 1890, Sai Yin Chew opened what would become the Bay Side Cannery in Alviso, California. His son Thomas Foon Chew built it into the third-largest cannery in the world, after Libby's and Del Monte, with additional canneries in Mayfield (now Palo Alto) and Isleton, California. As the first person to can asparagus, Chew earned the title "Asparagus King," but he also canned spinach, apricots, catsup, cherries, fish sauce, fruit cocktail, peaches, pears, plums, and tomatoes. At his death in 1931, he was the third-richest man in California.

Cook, William W. (April 16, 1858-June 4, 1930): American. Cook multiplied his inheritance by investing in street railways, Cuban sugar, and railroads. He donated $400,000 to build the resplendent Martha Cook dormitory and $20 million for the Gothic law quadrangle at the University of Michigan.

Crichton-Stuart, John Patrick (September 12, 1847-October 9, 1900; Third Marquess of Bute): Welsh. An only child, Crichton-Stuart inherited his fortune from his father, John Crichton-Stuart (1793-1848), the second marquess of Bute, who built Cardiff, Wales, into the coal exporting capital of the world. The third marquess was reputed by some to be the richest man in the world. A convert to Catholicism and a respected historian, Crichton-Stuart commissioned architect William Burges to transform historic Cardiff Castle into a medieval fantasy.

D

D'Arcy, William Knox (October 11, 1849-May 1, 1917): English. D'Arcy was an original partner in Australia's Mount Morgan gold mine. With his share in the mine at one point worth about $800 million, D'Arcy moved to England in 1886. In England, he bought mansions in Middlesex and London, a shooting estate in Norfolk, and a box at Epsom racecourse. He was the driving force in the 1909 founding of the Anglo-Persian Oil Company, the forerunner of British Petroleum (BP). D'Arcy bequeathed £984,000 to his family.

De Geer, Louis (November 17, 1587-June 29, 1652): Swedish. The Belgian Walloon family of Louis de Geer fled to the Netherlands in 1595 after adopting Protestantism. In 1619, de Geer began operating iron mines in Sweden, which under King Gustavus II Adolphus was the strongest Protestant nation in Europe. De Geer became the chief financier and arms supplier to Calvinist Europe. In 1641, he was ennobled by Sweden. Three years later, he equipped a Swedish navy at a cost of about 2 million florins. He left 1,000 florins annually to support Protestant pastors and 1.7 million guilders to his family. He is considered the father of modern Swedish industry.

Depont, Paul-François (1700-1774): French. Receiving an inheritance from his father, PAUL DEPONT (1661-1744), a wealthy shipper, Paul-François Depont was the wealthiest merchant in eighteenth century France. In 1746, his estate, containing extensive landholdings, rents, mortgages, debtor notes, gold, and silver, amounted to about 1 million livres, producing an annual income of 32,000 livres. He spent one-tenth of his income endowing various Catholic charities. His son PAUL-CHARLES DEPONT (1723-1800) lost most of the family's estate in the French Revolution.

Deripaska, Oleg (b. January 2, 1968): Russian. Deripaska is one of the Russian oligarchs, a group of entrepreneurs who made their fortunes after the fall of the Soviet Union. Derispaska owns United Company RUSAL, one of the world's largest aluminum companies. His net worth was $28 billion in 2008, but two years later it had dropped to $10.7 billion, according to *Forbes* magazine.

De Silva, Sir Ernest (November 26, 1887-May 9, 1957): Sri Lankan. De Silva was the wealthiest Sri Lankan of the twentieth century, owning large tea, rubber, and coconut plantations and founding the Bank of Ceylon. His Sirimathipaya Mansion later became the office of the Sri Lankan prime minister. De Silva was knighted by Great Britain for his extensive philanthropy, which included the establishment of schools, orphanages, hospitals, and Buddhist temples. Another Sri Lankan businessman, UPALI WIJEWARDENE (1938-1983), founded the Upali Group of companies and may well have surpassed De Silva in wealth but for his untimely death when his private plane disappeared midair.

Diocles, Gaius Appuleius (second century C.E.-second century C.E.): Roman. Chariot races were the favorite sport of ancient Romans, and charioteers were celebrities. The satirist Juvenal complained that a charioteer could earn an income one hundred times that of a senator. The wealthiest charioteer was the Spaniard Diocles, who won 1,563 victories in his twenty-seven-year career, earning him prize money of 36 million sesterces (about $180 million in 2010 currency). In addition, Diocles received large gifts from his aristocratic and imperial supporters. In 146 C.E., he retired to Praeneste (now Palestrina, Italy). He left his fortune to his son Nymphidanus and daughter Nimphydia, who built him a statue, memorializing his achievements.

Dorrance, John Thompson (November 11, 1873-September 21, 1930): American. A brilliant chemist, Dorrance built the Campbell Soup Company into the largest soup manufacturer in the world. He left one-fourth of his $115 million fortune to his wife, one-fourth to his son, and one-eighth each to his four daughters. His grandchildren BENNETT DORRANCE (b. 1947) and MARY ALICE MALONE (b. 1950) were each worth about $2 billion in 2010.

F

Fenzi, Emanuele (April 8, 1784-January 10, 1875): Italian. In 1821, Fenzi established the Fenzi bank, which financed the industrialization of Italy. In 1829, he bought the imposing Palazzo Fenzi for his bank and as a residence.

Fish, Mamie (June 8, 1853-May 25, 1915; Marion Graves Anthon Fish): American. Possessed of the Hamilton Fish family fortune, Mamie Fish was a grande dame of New York and Newport, Rhode Island, society at the end of the nineteenth century. A rival of prominent hostesses CAROLINE SCHERMERHORN ASTOR (1830-1908) and ALVA ERTSKIN SMITH VANDERBILT BELMONT (1853-1933), Fish was known for her lavish parties, costume balls, and caustic comments directed at unfortunate guests.

Fitzharding, Robert (1095-1170): English. A wealthy merchant and landowner from Bristol, England, Fitzharding financed King Henry II, and he was rewarded with the Berkeley Castle and Berkeley baronetcy; the baronetcy has continued in unbroken succession into the twenty-first century. Fitzharding also endowed Bristol Cathedral.

Flick, Friedrich (July 10, 1883-July 20, 1972): German. Flick founded a coal and steel conglomerate that supplied armaments to the Nazis and employed slave labor. He was convicted of war crimes at the Nuremberg trials in 1947, but he rebuilt his fortune after release from prison. His son FRIEDRICH KARL FLICK (1927-2006) was the richest resident of Austria, with a fortune estimated at $6 billion.

Forbes, Malcolm S. (August 19, 1919-February 24, 1990): American. Forbes's father, B. C. FORBES (1880-1954), founded *Forbes* magazine. Malcolm expanded into other ventures, building a personal estate estimated at $1 billion. He was known for his fleet of personal airplanes, motorcycles, and hot-air balloons; his million-dollar birthday parties; and his multimillion-dollar art and Fabergé egg collections. His son STEVE FORBES (b. 1947) inherited $400 million and control of *Forbes* magazine, which publishes an annual listing of the world's billionaires.

Fridman, Mikhail (b. April 21, 1964): Russian. Fridman cofounded the Alfa Group Consortium, a holding company which consists of several subsidiaries, including Tyumen Oil, Alfa Bank, food processing firms, and a chain of supermarkets. In 2003, fifty percent of Tyumen Oil was sold to British Petroleum (BP) at a cost of more than $6 billion. Fridman placed forty-second on the *Forbes* magazine 2010 list of world billionaires, with a net worth estimated at $12.7 billion.

G

Garza-Sada, Eugenio (January 11, 1892-September 17, 1973): Mexican. Garza-Sada established a brewery and other businesses in Monterrey, Mexico. In 1943, he took the lead in founding the Instituto Tecnológico y de Estudios Superiores de Monterrey, one of Mexico's leading educational institutions. Garza-Sada was killed in an attempted kidnapping for ransom.

Gaston, Arthur George (July 4, 1892-January 19, 1996; A. G. Gaston): American. Gaston was the leading African American entrepreneur before the Civil Rights movement, earning a fortune of $130 million on the success of his Booker T. Washington Insurance Company. In his book *The African American Entrepreneur: Then and Now* (2010), Sherman Rogers includes portraits of early African American entrepreneurs, such as Paul Cuffe and Madame C. J. Walker (see main entries). EMMANUEL "MANNA" BERNOON (c. 1710-1769) and his wife Mary operated the first oyster and ale house in Rhode Island; in 1769, Bernoon left an estate of £539. STEPHEN SMITH (1795-1873) operated coal, lumber, and real estate businesses in antebellum Philadelphia, amassing a net worth of $500,000. MAGGIE LENA WALKER (1867-1934) founded the St. Luke Penny Savings Bank in 1903.

Gershwin, George (September 26, 1898-July 11, 1937): American. In 2005, a *Guardian* newspaper study listed Gershwin as the richest composer in history. Gershwin was rewarded handsomely for his hit musicals and compositions, and he lived in a fourteen-room Manhattan duplex with a gymnasium, art studio, and gallery. At his death, his estate was underestimated at $400,000 for tax purposes. (Musical genius is no guarantee of wealth; Wolfgang Amadeus Mozart died in debt.)

Godrej, Ardeshir Burjorji (March 26, 1868-January, 1936): Indian. Godrej, a member of a Parsi merchant family, founded several factories manufacturing locks, which were the origins of the Godrej business conglomerate.

Grimaldi, Ansaldo (1471-1539; Great Benefactor): Italian. Grimaldi was a merchant, a member of the St. George Bank, and the richest Genoese of his time. He was admired for his benefactions, such as his 1536 gift to the University of Genoa in order to endow chairs of canon law, civil law, moral philosophy, and mathematics. With only daughters, he left his estate to his nephew Jerome Grimaldi.

Grimaldi, Erminio (c. thirteenth century-c. thirteenth century): Italian. Giovanni Boccaccio in *The Decameron* (1349-1351; English translation, 1620) describes Erminio Grimaldi of Genoa as by far the richest citizen of thirteenth century Italy. Boccaccio was almost certainly referring to the rising Grimaldi family of merchants, destined to be a great house of Genoa and Monaco for the following seven centuries. It is not clear, however, whether Erminio was an actual person or a composite figure in the book.

H

Harkness, Edward (January 22, 1874-January 29, 1940): American. During his lifetime, Harkness donated $130 million of the fortune he inherited from his father STEPHEN V. HARKNESS (1818-1888), a partner in Standard Oil Company. Edward Harkness provided funds to create both the Harvard and Yale University system of residential colleges. He left his $55 million estate to his wife MARY STILLMAN HARKNESS (1874-1950).

Herbert, George (June 26, 1866-April 5, 1923; George Edward Stanhope Molyneux Herbert; Fifth Earl of Carnavon; Lord Carnavon): English. Born into a rich and aristocratic family, Herbert became even wealthier when his wife, Almina Wombwell, inherited the fortune of Alfred de Rothschild, a member of the Rothschild banking family who may have been her actual father. Herbert funded the work of archaeologist Howard Carter, who discovered the tomb of Pharaoh Tutankhamen in 1922. Herbert's death several months later gave rise to the legend of the "Mummy's Curse."

Hilton, Conrad (December 25, 1887-January 3, 1979): American. Hilton founded an international chain of hotels that pioneered a uniquely American combination of efficiency, uniformity, luxury, and comfort that helped transform the hotel business. Hilton owned Casa Encantada, a sixty-one-room mansion in Los Angeles, California, that was staffed by nineteen servants; a fleet of cars; a private plane; and the San Diego Chargers football team. He left his fortune to the Conrad N. Hilton Foundation and to his descendants, who have continued to be newsworthy.

Hope, Bob (May 29, 1903-July 27, 2003; Leslie Townes Hope): American. Born in London, Hope was a comic and film star in the United States and an entertainer for the United Service Organizations (USO). He was a shrewd investor, acquiring interests in oil companies and California land. His fortune of $115 million was left to his family.

Hope, Henry (1735-1811): Dutch. Hope and his cousin JAN HOPE (1737-1784) built the leading international bank of their time. He and banker Francis Baring financed the Louisiana Purchase. Hope constructed the neoclassical Villa Welgelegen, which was later used as a Dutch seat of government. With a personal fortune of 12 million guilders, Hope was considered the richest person in Europe.

I

Ibn ʿAwkal, Joseph ibn Jacob ibn Joseph (c. 965-c. 1040; Abu Yusuf ibn Yaʿqub ibn ʿAwkal; Joseph ben Jacob ibn ʿAwkal): Egyptian. Ibn ʿAwkal inherited the trading house established in Fustat, Egypt, by his father, Abu al-Bishr Yaʿqub Ibn ʿAwkal. Joseph Ibn ʿAwkal and his four sons were the most prominent merchants of Fāṭimid Egypt, trading in eighty-three commodities, chief of which were high-grade Egyptian flax, indigo, brazilwood (used as a dye), lacquer, pepper, and sugar. The Ibn ʿAwkal family business correspondence is an important medieval archive.

Ibrahim, Mo (b. 1946): British. Born in Sudan, Ibrahim made billions of dollars by building and selling mobile telephone companies. His Mo Ibrahim Foundation established the Prize for Achievement in African Leadership, which is presented to African heads of state who improve life for their citizens and allow the democratic transfer of power.

J

Jamail, Joe (b. October 19, 1925; Joseph D. Jamail, Jr.; King of Torts): American. A lawyer, Jamail made a fortune of $1.5 billion by filing personal injury and other tort lawsuits.

Jeejebhoy, Sir Jamsetjee (July 15, 1783-April 14, 1859; First Baronet): Indian. Based in Bombay (now Mumbai), Jeejebhoy was the wealthiest Indian merchant of the nineteenth century. Jeejebhoy was a Parsi who followed in the footsteps of Hirji Jivanji Readymoney (fl. late eighteenth century), a Parsi merchant who made a fortune in 1756 by trading in China. Jeejebhoy traded fine Indian cotton for Chinese tea and silk and Indian opium for Chinese silver. In partnership with William Jardine and James Matheson, two Englishmen who amassed vast wealth in the China trade, Jeejebhoy cornered the Chinese opium market. At one point Jeejebhoy had 30 million rupees on deposit with the Bombay English Bank. Devoting the remainder of his life to philanthropy, Jeejebhoy endowed 126 charities. In honor of his munificence, he was knighted in 1842 and received a baronetcy in 1857, the first Indian so honored. Other wealthy Parsi merchant families of the nineteenth century include the Wadias and the Godrejs.

Jindal, Savitri (b. March 20, 1950): Indian. In 2010, Jindal was chairperson of Jindal Steel. Her personal net worth was estimated at $12.2 billion. She is the mother of nine children.

Johnson, Abigail (b. December 19, 1961; Abigail Pierrepont Johnson): American. Johnson is the daughter of Edward C. Johnson III (b. 1930), with whom she owns and operates Fidelity Investments. In 2010, her share in the company was $10 billion, and in May of that year Johnson became president of the newly created Fidelity Personal and Institutional Services. She married businessman Christopher J. McKown in 1998 and the couple had two children.

Johnson, Sir William (1715-July 11, 1774; First Baronet; Indian Tamer): American. Perhaps the richest man in the American colonies, Johnson owned 160,000 acres, sixty slaves, numerous indentured servants, and a mansion. He had children with several women, including Mary Brant, sister of the Mohawk chief Joseph Brant (Thayendanegea). Johnson became an honorary chief of the Mohawk tribe. His son Sir John Johnson (1741-1830) inherited his father's title and estates.

Jones, Paul Tudor, III (b. September 28, 1954): American. Jones made a fortune of $6.3 billion from his Tudor Investment Corporation. He established the innovative Robin Hood Foundation, which seeks to address poverty in New York City.

Julian Argentarius (c. 500-c. 557; Iulianus Argentarius): Roman. Julian Argentarius was a Christian banker and money changer who paid for San Vitale Basilica in the imperial city of Ravenna. He also financed construction of St. Apollinaire Basilica and Saint Michele Basilica. In a journal article about Julian's wealth, S. J. B. Barnish estimated that Julian donated 60,000 Roman solidi, a total of 834 pounds of gold, to build the three basilicas. Julian was one of the first wealthy Christians to make endowments to the Church, and in subsequent years many other Christians would follow his example. In a famous mural in Ravenna of Emperor Justinian I, Julian is probably the figure immediately to Justinian's left.

K

Kamprad, Ingvar (b. March 30, 1926): Swedish. Kamprad founded the IKEA furniture stores, which operate in thirty-four countries and offer products with a unique combination of high design and utility. In 2010, his wealth was estimated at $23 billion.

Kerimov, Suleiman (b. March 12, 1966; Suleyman Kerimov; Russia's Richest Civil Servant): Russian. In 2008, *Forbes* magazine estimated Kerimov's net worth at $17.5 billion, the bulk of which was derived from his shares in a large bank and in Gazprom, a natural gas extractor and Russia's largest company. He has been a member of the Russian parliament.

Kerry, Teresa Heinz (b. October 5, 1938; Maria Teresa Thierstein Simões-Ferreira (birth name); Teresa Heinz): American. Born in Mozambique to Portuguese parents, Kerry married Henry John Heinz III (1938-1991), heir to the H. J. Heinz Company ketchup fortune. After his death, she married Senator John Kerry (b. 1943), a scion of the wealthy Forbes family. A billionaire and noted philanthropist, she is chair of the Howard Heinz Endowment and Heinz Family Philanthropies.

Khan, German (b. October 26, 1962): Russian. One of the Russian oligarchs, Khan's estimated net worth in 2008 was $14 billion, the bulk of which was derived from oil.

Kharafi, Nasser al- (b. 1944): Kuwaiti. In 2010, al-Kharafi was president of M. A. Kharafi and Sons, a company engaged in construction and other business activities. That year his wealth was estimated at $12.4 billion.

Khashoggi, Adnan (b. July 25, 1935): Saudi Turkish. An international arms dealer and socialite, Khashoggi may have been the world's richest man in the 1980's, with a fortune of $2 to $4 billion.

Khwaja, Alimullah (Unknown-August 24, 1854): Indian. After inheriting the trading businesses and estates of his uncle, the merchant prince Hafizullah Khwajah, Alimullah Khwaja expanded into the leather and salt trades. Alimullah built the beautiful Ahsan Manzil (Pink Palace) in Bangladesh. The Dariya-i-Noor Diamond, a pink diamond weighing about 185 carats, was the highlight of his jewelry collection. In 1846, Alimullah concentrated all of his properties into an indivisible trust, which he bequeathed to his second son, Khwaja Abdul Ghani (1813-1896), who was appointed the first nawab (ruler) of the princely state of Dhaka.

Kwok, Walter (b. 1950): Hongkongese. Kwok became president of Sun Hung Kai Properties after the death of his father Kwok Tak Seng, one of Hong Kong's leading developers. His brothers Thomas Kwok (b. 1951) and Raymond Kwok (b. 1952) were vice chairmen of the firm. The three brothers' collective wealth was estimated at $17 billion in 2010. Like Victor Li Tzar-kuoi (b. 1964; also known as Victor Li), the scion of the Li Ka-shing family, Walter was kidnapped by the infamous gangster "Big Spender" Cheung Chi Keung.

L

Larnach, William (January 27, 1833-October 12, 1898): New Zealander. Larnach made his fortune as a banker in the New Zealand gold rush of the 1860's. He built the lavish, forty-three-room Larnach castle and gardens in Dunedin, New Zealand, before committing suicide.

Le Moyne de Longueuil et de Châteauguay, Charles (August 2, 1626-February, 1685; Charles Lemoyne): Canadian. Born in France, Le Moyne immigrated to Canada in 1641. Under the feudal system of seignorage, he was granted large estates and money. His descendants were prominent in the settlement of Canada.

Li Ka-shing (b. June 13, 1928; Li Jiacheng): Hongkongese. Li amassed wealth estimated at $21 billion in 2010, with the bulk of his fortune coming from his Hutchison Whampoa real estate company, one of the largest in Hong Kong. His Cheung Kong conglomerate operates in more than fifty-five countries with a workforce of 260,000 employees. With more than $10 billion in assets, his Li Ka-shing Foundation is among the ten wealthiest in the world.

Lim Goh Tong (April, 1918-October 23, 2007; Lin Wutong): Malaysian. Lim's Genting Highland Resort and casino made him the richest man in Malaysia in 2007, with a net worth of $4.2 billion.

Lisin, Vladimir (b. May 7, 1956): Russian. After the fall of the Soviet Union in 1991, several Russian entrepreneurs made billions of dollars from the nation's abundant natural resources. In 2010, Lisin was the richest of these "oligarchs," as they are commonly known in Russia, with a fortune of $16 billion from aluminum. The oligarchs' wealth reached its highpoint in 2008, when prices for commodities peaked.

Livermore, Jesse (July 26, 1877-November 28, 1940; Jesse Lauriston Livermore; Boy Plunger): American. A notorious stock market speculator in the Roaring Twenties, Livermore accumulated a fortune of $100 million by selling stocks short in the Panic of 1907 and in the stock market crash of 1929. He owned mansions throughout the world, luxury yachts, and limousines. However, his fortune eventually declined to $5 million as the result of his extravagance and bad trades, and he committed suicide.

Livingston, Philip (July 9, 1686-February 11, 1749): American. Livingston was the second lord of Livingston Manor, a 250-square-mile estate stretching from colonial New York to Massachusetts.

Lobo, Julio (October 30, 1898-January 30, 1983; Julio Lobo Olavarría): Cuban. Lobo was the leading sugar merchant in pre-Communist Cuba, owning more than thirty mills that produced about three million tons of sugar annually. His fortune approached $100 million, and he entertained Hollywood starlets on his sprawling Cuban estates. Lobo's Cuban businesses were confiscated by Cuban leader Fidel Castro, a development described in John Rathbone's book *The Sugar King of Havana: The Rise and Fall of Julio Lobo, Cuba's Last Tycoon* (2010).

López, Eugenio H., Sr. (July 2, 1901-July 5,1975): Philippine. Born to a family of Iloio City sugar magnates, López became the leading industrialist of the post-World War II Philippines. He owned media outlets, airlines, and public utilities, and he established the López Memorial Museum and the Eugenio López Foundation.

Luce, Henry R. (April 3, 1898-February 28, 1967): American. Luce founded Time Publishing. He was married to the glamorous writer Clare Booth Luce, and the couple lived in the seventy-two-hundred-acre Mepkin estate in South Carolina, one of their many residences. According to Alan Brinkley in his book *The Publisher: Henry Luce and His American Century* (2010), Luce left the bulk of his $100 million fortune to the Time Foundation. He also bequeathed 180,000 shares of his publishing company to Clare and 71,000 shares each to his two sons; at that time, Time's stock was valued at about $100 per share.

Ludwig, Daniel Keith (June 24, 1897-August 27, 1992): American. Ludwig dominated American shipping with a fleet of fifty supertankers. In 1971, he founded the Ludwig Institute for Cancer Research. Although his $3 billion fortune was perhaps the largest of any American in the 1970's, he lost a portion of it to an ill-fated agricultural venture in the Brazilian Amazon.

M

Makhmudov, Iskander (b. 1963): Russian. Considered the most mysterious of the Russian oligarchs, Makhmudov, who was born in Uzbekistan, has made a fortune by owning copper, coal, and metals trading companies, as well as other businesses. In 2008, his net worth was $12 billion.

Maktūm, Muḥammad bin Rāshid al- (b. July 22, 1949): Dubai Emirati. Al-Maktūm is a member of the Dubai ruling family, with wealth of $12 billion. He is an international breeder and racer of thoroughbred horses. The organization he founded, the Muḥammad bin Rāshid al-Maktūm Foundation, supports education.

Manzanedo, Juan Manuel de (March 3, 1803-August 19, 1882; Juan Manuel de Manzanedo y González de la Teja; Duke of Santoña): Spanish. Manzanedo made a fortune in the Cuban slave trade. Returning to Spain in 1845, he invested in construction and was named the duke of Santoña. Manzanedo built a palace in Madrid filled with 138 fine paintings, and he died with a fortune of 180 million reales.

March Ordinas, Juan (October 4, 1880-March 10, 1962; Joan March i Ordinas; Juan Alberto March Ordinas; Iberian Croesus): Spanish. A shadowy financier, March smuggled tobacco, sold arms in World War I, and financed Spanish leader Francisco Franco. March also founded the March Bank in Palma de Mallorca, Spain, in 1926. Investing in gasoline, shipping, steel, chemicals, coal, oil, breweries, real estate, and sugar, he attained a fortune of more than $1 billion. He owned castles, palaces, and private planes. In 1955, he established the Juan March Foundation to support science and the humanities.

Marchionni, Bartolomeo (late fifteenth century-early sixteenth century; Bartholomeu Florentim): Portuguese. The scion of a wealthy Florentine merchant family, Marchionni became the richest merchant in Lisbon, trading ivory, spices, sugar, and wine; owning sugar plantations in Madeira; and financing Portugal's exploration fleet and its African slave trade. The leading slaver of nineteenth century Portugal was JOAQUIM PEREIRA MARINHO (1816-1887), who financed at least thirty-six slave expeditions between Brazil and Africa. Pereira Marinho, who was nicknamed the King of Dried Meat, amassed a fortune of more than £500,000, and he was made a count.

Marie-Antoinette (November 2, 1755-October 16, 1793): French. Daughter of the Habsburg rulers of Austria and the Holy Roman Empire, Marie-Antoinette became the queen of France when she married King Louis XVI. Both were executed by Jacobin revolutionaries. Although she enjoyed pleasure gardens and fantasy villages at Versailles, her reputation for gross extravagance was exaggerated by propagandists.

Mars, Forrest Edward, Sr. (March 21, 1904-July 1, 1999): American. The son of Mars Candy founder FRANKLIN CLARENCE MARS (1883-1934), Forrest Edward Mars, Sr., expanded the company into a confectionary giant that manufactured M&M's and other popular candies. His estate was valued at $4.4 billion. In 2010, his three children, FOREST EDWARD, JR. (b. 1931), JOHN FRANKLYN (b. 1935), and JACQUELINE, had fortunes of $11 billion apiece. According to numerous news reports, the Mars family took the lead in lobbying efforts to repeal the federal estate tax, to which President George W. Bush acceded.

Matsushita, Konosuke (November 27, 1894-April 27, 1989): Japanese. Matsushita founded Panasonic, one of the most successful electronics companies of postwar Japan. His net worth exceeded $3 billion.

Mills, Darius Ogden (September 5, 1825-January 3, 1910): American. Operating a bank and railroad during the California gold rush, Mills became the richest person in that state, bequeathing an estate of $36,227,391. His son OGDEN MILLS (1857-1929) donated millions of dollars to charity. Darius's grandchildren, OGDEN LIVINGSTON MILLS (1884-1937) and GLADYS MILLS PHIPPS (1883-1970), were prominent socialites and owners of the Wheatley Stable, perhaps the most successful thoroughbred horse racing group in American history.

Mittal, Lakshmi (b. June 15, 1950): Indian. Mittal's 33 percent stake in Arcelor Mittal, Europe's largest steel company, was worth approximately $29 billion in 2010. A lavish spender, Mittal owned several mansions in

Kensington, London. He spent $55 million on his daughter's wedding at Vaux-le-Vicomte, the French château originally built by Nicolas Fouquet (see main entry). Mittal topped *The Sunday Times* 2010 Rich List, with a personal fortune of £22.45 billion.

Mordashov, Alexei (b. September 26, 1965): Russian. One of the Russian oligarchs, Mordashov is the primary shareholder and chairman of the board of JSC Severstal, one of Russia's largest steel companies. In 2008, his estimated net worth was $21 billion.

Morita, Akio (January 26, 1921-October 3, 1999): Japanese. Morita was born to a wealthy Japanese family that had earned distinction as samurai and for brewing high-quality sake since 1665. Morita was proud of his lineage and of his forward-thinking vision for Japanese industry. In 1946, he cofounded Sony Corporation, perhaps the most successful electronics company of the post-World War II era. In 1999, *Forbes* magazine listed his wealth at $1.3 billion.

Morozov, Boris Ivanovich (1590-November 11, 1661): Russian. Boyars were feudal lords of Russia who possessed enormous wealth in both land and serfs. Morozov, for example, owned estates totaling 216,000 acres and fifty-five thousand serfs, as well as mills, distilleries, and iron, brick, and salt factories. PYOTR BORISOVICH SHEREMETEV (1713-1788) was the richest man in eighteenth century Russia after the czar. The great novelist LEO TOLSTOY (1828-1910) was a scion of the wealthy Volkonsky family, and he inherited the Yasnaya Polyana Estate.

Mulliez, Gérard (b. May 13, 1931): French. Mulliez founded the Auchan Group, a French retail conglomerate. In 2010, the wealth of the Mulliez family was estimated at $30 billion.

O

Omidyar, Pierre (b. June 21, 1967): American. Born in France to Iranian parents, Omidyar founded eBay, the premier Internet auction site. His fortune in 2010 was estimated at $5.2 billion. His charitable foundation, the Omidyar Network, has won accolades for creating opportunities for individual economic advancement.

Ortega, Armancio (b. March 28, 1936; Armancio Ortega Gaona): Spanish. Ortega is the secretive founder of the Inditex Group (Textile Design Industries, Inc.), a clothing and fashion conglomerate. The richest man in Spain, his net worth in 2010 was $25 billion.

Otto, Michael (b. April 12, 1943; Financial Napoleon): German. Otto heads the Otto Group, a German conglomerate of mail-order, Internet, and other businesses. His wealth in 2010 was estimated at $18.7 billion.

Ouvrard, Gabriel-Julien (October 11, 1770-October, 1846): French. The leading financier of the Napoleonic era, Ouvrard has been called the "financial Napoleon" for his sagacity, adventurism, and domination of French finances. He provisioned the armies of Napoleon I; after Napoleon's fall, Ouvrard financed French reparations to the victorious allies. In 1820, he was able to offer 1 million francs as a dowry for his daughter. His fortune at this time was estimated at 40 million francs or $5 million. However, his enemies were numerous, and he was ruined by charges of corruption.

P

Panos Calendar, Khoja (Unknown-c. 1696; Khwaja Kalantar): Armenian. A wealthy merchant, Panos signed an agreement with England in 1688 giving Armenian traders equal rights to trade with English companies. Panos paid for the building of Surb Zoravor Church in Yerevan, Armenia, in 1693.

Paulson, John (b. December 14, 1955): American. Paulson & Co., Paulson's investment hedge fund, is one of the most successful in history. His net worth increased to $12 billion in 2010 largely because of investments inversely related to collateralized mortgage debt obligations, which were decimated in the financial meltdown of 2008. On April 16, 2010, the Securities and Exchange Commission sued the investment firm of Goldman Sachs because it sold investments to clients that were related to Paulson's bet against mortgage debt obligations.

Payne, Oliver Hazard (July 2, 1839-June 27, 1917): American. Son of U.S. senator Henry B. Payne, Oliver Hazard Payne made a $178 million fortune from his investments in Standard Oil Company, U.S. Steel, and American Tobacco Company. Never married, he left $75 million to his nephews WILLIAM PAYNE WHITNEY (1876-1927) and HARRY PAYNE WHITNEY (1872-1930). William Payne Whitney doubled this inheritance over his lifetime. Harry Payne Whitney married a Vanderbilt heiress and artist, GERTRUDE VANDERBILT WHITNEY (1875-1942). Gertrude founded the Whitney Museum of American Art in New York City in 1930, and the museum opened the following year.

Pellatt, Sir Henry Mill (January 16, 1859-March 8, 1939): Canadian. After making a fortune by harnessing the hydroelectric power of Niagara Falls, Pellatt built the fantastic Casa Loma mansion in Toronto, completed in 1914 at a cost of $3.5 million.

Péreire, Émile (1800-January 5, 1875; Jacob Émile Péreire): French. Péreire and his brother ISAAC (1806-1880) were bankers in the nineteenth century, second in French finance only to their rivals, the Rothschilds. They created the Crédit Mobilier Bank. Isaac's son EUGÈNE PÉREIRE (1831-1908) took over the administration of the family's business empire and founded the Banque Transatlantique.

Perelman, Ronald (b. January 1, 1943): American. Investing in a number of troubled businesses and then selling them at great profit, Perelman amassed a fortune of $4.3 billion in 1996 and $11 billion in 2010, although his wealth was impeded by his four divorces and court battles with in-laws. One of his biggest deals was the purchase of the Revlon Corporation, a cosmetics manufacturer, in 1985, which was financed with more than $700 million in junk bonds.

Perrson, Stephan (b. October 4, 1947): Swedish. Persson founded the H&M fashion stores. His net worth in 2010 was $22.4 billion.

Picaud, Pierre (fl. nineteenth century-fl. nineteenth century): French. French archivist Jacques Peuchet recounted the alleged story of Picaud, who in 1814 was given a fortune by a dying fellow prisoner, an Italian priest named Torri. The story of how Picaud employed his riches to obtain revenge on his accusers was the basis of Alexandre Dumas, *père*'s, novel *Le Comte de Monte-Cristo* (1845-1846; *The Count of Monte Cristo*, 1846).

Ponzi, Charles (March 3, 1882-January 18, 1949): American. Ponzi contributed his name to the most infamous and lucrative financial swindle—the pyramid scheme—in which early investors are paid with money received from later investors, rather than from the proceeds of legitimate investments. Ponzi used the money he received from his postal coupon swindle to buy a five-acre estate with a twenty-two-room mansion and heated swimming pool in Lexington, Massachusetts. His scheme had garnered $15 million, but when he was arrested about $8 million of this amount was unaccounted for and presumed to have been spent or secreted by Ponzi. He was imprisoned in 1920 and died in poverty.

Poppen, Jacob (1576-1624): Dutch. Jacob's father, JAN POPPEN (c. 1545-1616), was a wealthy grain merchant who helped found the Dutch East India Company, paying 30,000 guilders for shares of stock in the new firm. Other wealthy Amsterdam merchants, such as GERRIT BICKER (1554-1604), REINIER PAUW (1564-1636), and GERRIT REYNST (1599-1658), also purchased shares in order to establish the company. Jacob Poppen expanded his father's maritime trading business. At the time of his death, Jacob left a fortune of 920,000 guilders, the largest in Amsterdam. His son JOAN POPPEN (1617-1654) commissioned the Palladian-style Poppenhuis mansion from the architect Philips Vingboons in 1642.

Potanin, Vladimir (b. January 3, 1961): Russian. In 2008, Potanin's net worth was estimated at $19 billion, the majority of which was derived from his shares in a major Russian nickel company.

Prokhorov, Mikhail (b. May 3, 1965): Russian. According to *Forbes* magazine's 2010 list of world billionaires, Prokhorov is the richest man in Russia and the thirty-ninth-wealthiest individual in the world, with an estimated net worth of $13.4 billion derived from his investments. In May, 2010, Prokhorov became owner of the New Jersey Nets, the first non-North American to own a National Basketball Association (NBA) franchise.

Q

Quandt, Günther (July 28, 1881-December 30, 1954): German. Quandt built one of the largest industrial empires of pre-World War II Germany. In 1921, he married Magda Ritschel; after their divorce, Magda married Nazi propaganda chief Joseph Goebbels. Quandt's connections to Goebbels helped Quandt became a leading supplier of armaments to the German military, and he employed slave labor at his factories. Quandt was imprisoned after the war and released in 1948. His son with Magda, HARALD QUANDT (1921-1967), was one of the wealthiest men in Germany. (Magda and Joseph Goebbels killed their six children and committed suicide on May 1, 1945.) Günther's other son, HERBERT QUANDT (1910-1982), turned the nearly bankrupt BMW company into one of the most successful postwar automakers, and he became the richest person in Germany. In 2010, Herbert's survivors remained among the richest people in Germany. His widow JOHANNA QUANDT (b. 1926) possessed a personal fortune of $5 billion; his children SUSANNE KLATTEN (b. 1962) and STEFAN QUANDT (b. 1966) were worth $11.1 billion and $5.7 billion, respectively. In October, 2007, the Quandt family hired historian Joachim Scholtyseck to investigate Günther Quandt's ties to the Nazi regime.

R

Rashnikov, Viktor (b. October 13, 1948; Victor Rashnikov): Russian. A businessman and politician, Rashnikov made his fortune in the iron and steel industries. His net worth in 2008 was $10.4 billion.

Rasmani, Rani (September 28, 1793-February 19, 1861): Indian. The widow of multimillionaire landlord Rajchandra Das, Rani managed his estate and built Hindu temples throughout India. She spent 1.336 million rupees to construct the majestic Dakshineswar Kali compound, comprising thirteen temples near the sacred Ganges River.

Rausing, Ruben (June 17, 1895-August 10, 1983): Swedish. Rausing founded Tetra Pak, which pioneered the manufacture and sale of plastic-coated paper cartons used for multiple products. His businesses were inherited by his sons GAD RAUSING (1922-2000) and HANS RAUSING (b. 1926). In 2010, Gad's widow, BIRGIT RAUSING (b. 1924), had a net worth of $13 billion; Hans's net worth was $10 billion.

Reynst, Jan (1601-June 29, 1646): Dutch. Jan and his brother GERRIT REYNST (1559-1658) were wealthy Dutch merchants and acquirers of the Reynst Collection of art. The history of the collection is complex but significant. GABRIELE VENDRAMIN (1484-1552), a scion of the wealthy Venetian Vendramin family, assembled the bulk of the collection. Reflecting the rising dominance of Dutch mercantile wealth, the Reynst brothers purchased the collection from the widow of Gabriele's nephew, ANDREA VENDRAMIN (c. 1565-1629). With choice additions by Jan, the Reynst Collection grew to include three hundred Roman sculptures, two hundred Italian Renaissance masterpieces, and various antiquities. A portion of the collection, the so-called Dutch Gift, was given to King Charles II of England in 1660. The rest of the artworks are on display in museums throughout Europe.

Rich, Marc (b. December 18, 1934): American. In the 1970's, Rich began trading commodities. In 1983, he was indicted for illegally trading with Iran. At the time of the indictment, Rich was in Switzerland, and as of 2010 he continued to live in that country and had not returned to the United States. In 2001, President Bill Clinton issued a controversial pardon for Rich. According to Daniel Ammann in *The King of Oil: The Secret Life of Marc Rich* (2009), Rich's company, which traded in 128 countries and earned profits as high as $400 million annually, was worth $1.5 billion in 1993.

Rogers, Henry Huttleston (January 29, 1840-May 19, 1909): American. Rogers was a partner in the Standard Oil Company, later expanding into railroads, manufacturing, and copper. He amassed a fortune of $100 million. A hard-driving capitalist, he is perhaps most notable for his "secret" philanthropy, providing support to Mark Twain, Helen Keller, George Washington Carver, and others.

Ruiz, Simón (1525-1597; Simón Ruiz Embito): Spanish. A merchant from Castile, Ruiz traded fabrics, spices, indigo, wheat, salt, and olive oil. He posted trading agents throughout Europe and in the West Indies. He became a money changer and a banker to King Philip II of Spain. Ruiz lived in a mansion filled with treasures that his agents sent from France, Germany, and India. He founded a hospital and church complex in Medina del Campo, Spain. In his will, Ruiz left funds to maintain this church; he also bequeathed property to his widow Maria Montalvo and his businesses to his nephew Cosme Ruiz Embito, who later became bankrupt.

Rybolovlev, Dmitry (b. 1966/1967): Russian. Rybolovlev began to make his fortune in the 1990's, when he took over a Russian potash fertilizer company that had previously been owned by the Soviet Union. According to *Forbes* magazine, he was the seventy-ninth-wealthiest individual in the world in 2010, with an estimated net worth of $8.6 billion.

S

Saint Laurent, Yves (August 1, 1936-June 1, 2008): French. Saint Laurent was the most successful fashion designer of the twentieth century. His art collection alone was auctioned in 2008 for $400 million.

Sanguszko-Lubartowicz, Paweł Karol (1682-1752): Polish. Sanguszko-Lubartowicz was a Polish aristocrat who became phenomenally wealthy when he married MARIANNA LUBOMIRSKA (1693-1729), heiress of the Ostrog estates. The couple was famous for their exquisite collection of Persian carpets.

Schneider, Eugène (March 29, 1805-November 27, 1875; Joseph Eugène Schneider): French. Eugène and his brother ADOLPHE SCHNEIDER (1802-1845) established an iron foundry in 1836, and two years later they manufactured the first steam locomotive and river steamboat in France. Schneider and Co. eventually became the leading munitions manufacturer in France. After Eugène's death, the leadership of the company was assumed by his two sons and later by his grandson, CHARLES PROSPER EUGÈNE SCHNEIDER (1868-1942). In the twentieth century, the company was criticized for supplying arms on an international scale. After World War II, the firm began to abandon the armaments business and to focus on other activities. In 1999, the company was renamed Schneider Electric, and as of 2010 it continued to manufacture electrical equipment.

Sears, R. W. (December 7, 1863-September 28, 1914; Richard Warren Sears): American. Sears founded Sears, Roebuck and Company, which revolutionized the mail-order business. He left $25 million to his widow and four children.

Sheba, Queen of (fl. tenth century B.C.E.-fl. tenth century B.C.E.): Ethiopian. In the Bible, the Queen of Sheba visits King Solomon of Israel with a magnificent retinue (1 Kings 10:1-13, 2 Chronicles 9:1-12). Her great wealth is demonstrated by her gifts to Solomon of precious stones, rare spices, and 120 talents of gold (about four and one-half tons).

Smirnov, Pyotor Arsenievich (1831-1898): Russian. Born a serf, Smirnov established the leading vodka manufacturer in Russia, grossing 600,000 rubles annually. His fortune of $130 million was the largest in czarist Russia. Linda Himelstein recounts Smirnov's innovative marketing techniques in *The King of Vodka: The Story of Pyotr Smirnov and the Upheaval of an Empire* (2009).

Solomon, Haym (1740-January 6, 1785; Haym Salomon): American. Solomon was a Polish Jew who immigrated to the American colonies in 1775 and became a wealthy banker. He helped finance the American Revolution by contributing perhaps as much as $800,000 to the Continental Congress.

Soong, T. V. (December 4, 1894-April 25, 1971; Soong; Tse-ven; Song Ziwen): Chinese. The son of a Chinese industrialist, Soong graduated from Harvard University and became the leading financier of the Republic of China and the Kuomintang Party. In 1924, he established the Central Bank of China. His wealth in 1943 was estimated at $70 million. During World War II, Soong financed the Flying Tigers, a group of American volunteers who served in the Republic of China Air Force. His three famous sisters played historic roles in China. The eldest, Soong Ai-ling, was married to H. H. KUNG (1881-1967), a banker, the finance minister of the Republic of

China, and one of the richest men in the country. The second sister, Soong Ching-ling, was married to Sun Yat-sen, the father of modern China. The youngest sister, Soong Mei-ling, was married to Chiang Kai-shek, president of the Republic of China.

Spencer, Sir Robert (1570-October 25, 1627; First Baron Spencer of Wormleighton): English. Spencer was reputed to be the richest man in Elizabethan England, acquiring £500,000 from the wool trade, moneylending, and investments in the Virginia colony. He expanded the fourteen-thousand-acre Althorp Estate, ancestral home of Diana, Princess of Wales (1961-1997).

Strauss, Levi (February 26, 1829-September 26, 1902): American. Strauss fashioned sturdy denim pants for California gold rush miners. In 1871, he added copper rivets to fashion the blue jean, the most successful article of brand-name clothing in history. Strauss endowed twenty-nine scholarships at the University of California, among other charitable gifts, and he left $6 million to his four nephews. The Levi Strauss Company remained privately owned by his descendants into the twenty-first century.

Sumitomo, Tomomochi (1607-1662): Japanese. The second head of the mercantile house of Sumitomo, Sumitomo Tomomochi built it into an industrial giant. He moved the base of its operations from Kyōto to Ōsaka, then Japan's commercial hub. He expanded the clan into a major trading house by mining and exporting copper, importing silk, and providing money changing and other financial services.

T

Tan Tock Seng (1798-February 24, 1850; Chen Dusheng): Singaporean. Of Chinese ancestry, Tan was a wealthy businessman and landowner in colonial Singapore. He built the Tan Tock Seng Hospital for $5,000. He bequeathed his fortune to his widow, Lee Seo Neo, and his six children. His grandson Tan Chay Yan (1870-1916) was also a merchant, rubber planter, and philanthropist, who constructed the Tan Tock Guan medical building in 1870 for $15,000.

Tavernier, Jean-Baptiste (1605-July, 1689): French. A French traveler and merchant in Asia, Tavernier amassed a fortune, which allowed him to purchase the barony of Aubonne for 60,000 livres. Dealing in jewels, he traded with the fabulously rich court of the Mughal emperors and with such merchant princes of India as Virji Vora, Abdul Ghafur, and Shantidas Zaveri. He sold a treasure trove of Indian diamonds to French royalty, including the Tavernier Blue Diamond, from which the famous Hope Diamond was cut. His efforts to establish a French company to rival the Dutch East India Company failed.

Temple-Grenville, Richard (February 11, 1797-July 29, 1861; Richard Plantagenet Temple-Grenville-Nugent-Brydges-Chandos; Second Duke of Buckingham and Chandos; Sixth Viscount Cobham): English. Temple-Grenville, the second duke of Buckingham, was heir to one of the great fortunes of the English aristocracy, that of the Temple and Grenville families. He owned sixty-seven thousand acres in England, Ireland, and Jamaica, including the magnificent Stowe House. According to Niall Ferguson in *The Ascent of Money* (2008), Buckingham's extravagance and ruin symbolized a new age of aristocratic decline.

Terrazas, Luis (July 20, 1829-June 18, 1923; José Gonzaga Jesús Daniel Terrazas Fuentes (birth name): Mexican. The leading cattle rancher of nineteenth century Mexico, Terrazas owned seven million acres of ranch land.

Terry, Tomás (c. 1820-1886; Tomás Terry y Adán): Spanish. Terry earned the nickname the "Cuban Croesus" from his slave trading and sugar mills in that country. At his death, his estate, which primarily consisted of foreign investments, was worth $25 million.

Thomson, Kenneth R. (September 1, 1923-June 12, 2006; Second Baron Thomson of Fleet): Canadian. The richest Canadian of the twentieth century, Thomson inherited a newspaper and media empire and a British title of nobility from his father, Roy Herbert Thomson, first baron Thomson of Fleet (1894-1976). Kenneth was a major benefactor of the Art Gallery of Ontario, donating two thousand pieces of art worth $300 million. His estate was valued at $22.6 billion. Conrad Black (b. 1944) was another Canadian newspaper magnate who received a British title of nobility, becoming Baron Black of Crossharbour. However, in 2007, Black was found guilty of defrauding his Hollinger International News Company and sentenced to prison.

Thyssen, Fritz (November 9, 1873-February 8, 1951; Friedrich Thyssen): German. Thyssen was born into one of Germany's leading industrialist families. His grandfather JOHANN FRIEDRICH THYSSEN (1804-1877) was a banker and the progenitor of the family fortune. His father AUGUST THYSSEN (1842-1926) established the Thyssen steelmaking and mining companies. Fritz was an early supporter of Adolf Hitler, contributing millions of marks to the Nazi cause. However, he opposed Hitler's wars of aggression and was confined to a concentration camp. After World War II, he paid 500,000 marks in reparations for his early support of the Nazis. His widow established the Fritz Thyssen Foundation with 100 million marks.

Tretyakov, Pavel (December 27, 1832-December 16, 1898): Russian. Tretyakov founded a merchant bank in Moscow, acquiring a fortune of 4.4 million rubles. He built a fabulous collection of European and Russian art, the basis of the Tretyakov Art Gallery in Moscow. SAVVA MAMONTOV (1841-1918) was another wealthy Russian merchant and industrialist who supported culture, establishing an artists' colony on his Abramtsevo estate.

Tsai Wan-lin (November 10, 1924-September 27, 2004; Cai Wanlin): Taiwanese. Tsai became the richest person in Taiwan through his Cathay Life Insurance Company and his Lin Yuan banking and insurance group, with a net worth of $12.2 billion in 1996. Another wealthy Taiwanese businessman, WANG YUNG-CHING (1917-2008), founded the Formosa Plastics Corporation and was worth $5.5 billion. C. Y. TUNG (1912-1982), who built Asia's largest shipping empire, resided in both Taiwan and Hong Kong.

Tuason, Don Antonio (Unknown-1794; Son Tua): Philippine. Son Tua was born in China, and he Hispanicized his name when he immigrated to the Philippines. He became the wealthiest Filipino of the eighteenth century, amassing his wealth in the galleon trade, in which Spanish trading ships would annually sail from Manila with Asian goods and spices that were sold in Acapulco, Mexico, in exchange for New World silver. After he equipped the Philippine colonial army, the Spanish crown rewarded Tuason with a title of nobility, Caballero Hijo-Dalgo, and with landed estates. Tuason bequeathed his estate to his son Don Vicente Tuason, who expanded the family holdings by purchasing the extensive lands of the Jesuit order, which was expelled from the Philippines in 1768. Antonio's daughter Gregoria married Don Luis Rocha, who built the Malacañang presidential palace. Antonio's descendant Don Gonzalo Tuason y Patino was a leading Philippine industrialist in the nineteenth century, partnering with the wealthy Filipino industrialists DON ENRIQUE ZOBEL DE AYALA (1877-1943) and DON PEDRO PABLO ROXAS (1847-1912). The extensive Tuason lands were the subject of litigation for much of the twentieth century.

Tucher, Lazarus (Nov. 1, 1491-1564): German. Having made a fortune speculating in pepper, Tucher joined the other great German banking houses of the sixteenth century—the Fuggers, Welsers, and Hochstetters. Tucher made large loans to the English crown.

V

Vekselberg, Viktor (b. April 14, 1957; Victor Vekselberg): Russian. Vekselberg, the owner and president of the Renova Group conglomerate, had an estimated net worth of $6.4 billion from his oil and metals holdings, according to *Forbes* magazine's 2010 list of the world's billionaires.

Villehuchet, René-Thierry Magon de la (1943-December 23, 2008): French. Villehuchet was a French aristocrat who founded Access International Advisors in the United States. He renovated Le Château de Plouer, his family's castle home since the eighteenth century. Villehuchet committed suicide in December, 2008, when he learned he had lost $50 million of his own money and $1.4 billion worth of client funds in the Ponzi swindle of Bernard Madoff.

Voltaire (November 21, 1694-May 30, 1778; François Marie Arouet (birth name)): French. A leading light of the Enlightenment, Voltaire also acquired a fortune, which enabled him to flee France, when he had to. With an annual income of 80,000 francs from his writing and from supporters, Voltaire purchased a château in Ferney and the palatial Les Délices estate in Geneva, Switzerland, replete with a private theater.

W

Wadia, Nowroji Nusserwanji (August 30, 1849-December 19, 1899): Indian. Wadia was heir to a Parsi family of master shipbuilders, and he established several successful textile mills. For his multiple benefactions to Bombay (now Mumbai), he was honored as the "Champion of the Indian Empire" by the British parliament.

Wallenberg, André Oscar (November 19, 1816-January 12, 1886): Swedish. Wallenberg founded the Stockholms Enskilda Bank, which eventually became the Skandinaviska Enskilda Banken, the origin of the great wealth of the Wallenberg dynasty. His grandson Raoul Wallenberg saved tens of thousands of Hungarian Jews during World War II, at the cost of his own life.

Wang, An (February 7, 1920-March 24, 1990): American. Wang Laboratories pioneered personal computers in the 1970's and 1980's. In 1984, *Forbes* magazine estimated the wealth of its founder, An Wang, at $1.6 billion, making him the fifth-richest American at the time. He was a generous philanthropist, but Wang Laboratories declined after Wang's son took over as president and declared bankruptcy in 1992.

Wang, Nina (September 29, 1937-April 3, 2007; Kung Yu Sum; Little Sweetie): Hongkongese. For a decade, Wang was the richest woman in Asia, with a net worth of $4.2 billion. Her husband, Teddy Wang, was heir to the Chinachem Group fortune. He was kidnapped and disappeared in 1990. After a bitter legal contest, Nina emerged with control of Chinachem, which she turned into a major real estate developer.

Watson, Thomas J., Sr. (February 17, 1874-June 19, 1956; World's Greatest Salesman): American. As president of International Business Machines (IBM) from 1914 to 1956, Watson made IBM the dominant technology company of the early twentieth century. His son THOMAS J. WATSON, JR. (1914-1993) was president of IBM from 1956 to 1971 and a prominent philanthropist.

Winchester, Sarah Pardee (c. 1840-September 5, 1922): American. WILLIAM WIRT WINCHESTER (1837-1881), heir to the Winchester Repeating Arms Company fortune, left the ownership of the company to his widow, Sarah Pardee Winchester. Her shares were worth $22 million, providing her with an annual income of about $400,000. She spent about $5.5 million building a 160-room mansion in San Jose, California, which became a popular tourist attraction known as the Winchester Mystery House.

Woodruff, Robert W. (December 6, 1889-March 7, 1985): American. Woodruff was president of Coca-Cola from 1923 to 1954. Under his leadership, the company became a leader in technology and marketing, licensing thirteen hundred bottling plants in seventy-two countries and advertising in dozens of foreign languages. Woodruff gave a total of $230 million to Emory University.

Y

Yang Huiyan (b. 1981): Chinese. With her majority stake in the real estate giant Country Garden Holdings, Yang at times has been the richest woman in China, with an estimated personal wealth between $4 and $16 billion in 2007. WU YAJUN (b. 1964), the chief executive officer of Longfor Properties, has been touted as the new richest woman in China, with a personal wealth of $3.9 billion in 2010. Several men described as China's richest have ended up in prison. For example, MOU QIZHONG (b. 1940) was considered China's wealthiest person in 1996; in 2000, he was sentenced to life in prison for fraud. YANG BIN (b. 1961) was deemed the second-richest man in China in 2001, with a fortune of $7.5 billion; in 2002, he was sentenced to eighteen years in prison for tax evasion. HUANG GUANGYU (b. 1969), the owner of GOME Electrical Appliances, was the wealthiest Chinese businessman in 2007 with $6.3 billion; in May, 2010, he was sentenced to a prison term of fourteen years for bribery.

Z

Zappas, Evangelis (1800-June 19, 1865): Greek. Zappas owned the Hellenic Steamship Company and farms and wheat mills in Romania. He is considered by many to be the father of the modern Olympic Games. He paid 2000 Austrian florins to finance the first modern Olympic contest in 1859 and bequeathed 6 million gold drachmas to pay for future competitions and to construct an Olympic stadium.

Ziff, William B., Jr. (June 24, 1930-September 9, 2006): American. Ziff inherited a magazine publishing business from his father and turned it into a billion-dollar industry. His three sons, DANIEL ZIFF (b. 1971), DIRK ZIFF (b. 1964), and ROBERT ZIFF (b. 1966), were estimated to each have a personal fortune of $4 billion in 2010. Ziff's widow, Ann, donated $30 million to the Metropolitan Opera in March, 2007.

Zulueta, Julián de (January 8, 1814-May 4, 1878; Julián de Zulueta y Amondo; First Marquis of Álava): Spanish. A Basque immigrant to Cuba, Zulueta was the last and the wealthiest of the Cuban planters who made fortunes in the Atlantic slave trade. He owned vast sugar plantations and is estimated to have imported more than fifty thousand slaves to Cuba from 1858 to 1862. Returning to Spain, he was made the first marquis of Álava, and he died with a fortune of 200 million reales.

Chronological List of Entries

Personages appearing in this list are the subjects of essays in Great Lives from History: The Incredibly Wealthy *and are arranged here by birth year, with year of death included where applicable. One essay has two subjects, who are listed here separately: David and Frederick Barclay.*

Ancient World

Amenhotep III (c. 1403 B.C.E.-c. 1349 B.C.E.)
Agamemnon (fl. thirteenth-twelfth century B.C.E.)
Solomon (c. 991 B.C.E.-c. 930 B.C.E.)
Midas (738 B.C.E.-696 /695 B.C.E.)
Croesus (c. 595 B.C.E.-c. 546 B.C.E.)
Marduk-nāsir-apli (c. 521 B.C.E.-c. 487 B.C.E.)
Hipponicus II (c. 510 B.C.E.-c. 450 B.C.E.)
Nicias (c. 470 B.C.E.-413 B.C.E.)
Pasion (c. 430 B.C.E.-c. 370 B.C.E.)
Roscius (c. 126 B.C.E.-62 B.C.E.)
Marcus Licinius Crassus (c. 115 B.C.E.-53 B.C.E.)
Claudius Aesopus (fl. first century B.C.E.-after 55 B.C.E.)
Gaius Maecenas (c. 70 B.C.E.-8 B.C.E.)
Cleopatra VII (69 B.C.E.-August 3, 30 B.C.E.)

Middle Ages to 1400

Hārūn al-Rashīd (February 763/766-March 24, 809)
Yaḥyā ibn Khālid al-Barmakī (d. 805)
Basil II (958-December 15, 1025)
Tenkamenin (c. 1010-c. 1078)
al-Mustanṣir (July 5, 1029-January 10, 1094)
First Earl of Surrey (c. 1030-June 24, 1088)
Odo of Bayeux (c. 1036-February, 1097)
Alanus Rufus (c. 1040-1089)
William II (c. 1056-August 2, 1100)
Godric of Finchale (c. 1070-May 21, 1170)
Suryavarman II (d. c. 1150)
Eleanor of Aquitaine (c. 1122-April 1, 1204)
Aaron of Lincoln (c. 1125-1186)
Walter de Merton (c. 1200/1205-October 27, 1277)
Orlando Bonsignori (c. 1210-c. 1273)
Kublai Khan (September 23, 1215-February 18, 1294)
Filippo di Peruzzi (c. 1240-c. 1303)
Mansa Mūsā (c. 1280-1337)
Piers Gaveston (c. 1284-June 19, 1312)
Ridolfo de' Bardi (c. 1300-c. 1360)
John Hawkwood (c. 1323-March 16 or 17, 1394)
Federico Cornaro (c. 1335-1382)
Francesco Datini (c. 1335-August 16, 1410)
John of Gaunt (March, 1340-February 3, 1399)
Giovanni de' Medici (c. 1360-February 20, 1429)
Nuno Álvares Pereira (July 24, 1360-April 1, 1431)
Diego Hurtado de Mendoza (c. 1367-June, 1404)
William Sevenock (c. 1373-1433)
Sir John Fastolf (c. 1378-November 5, 1459)
Jacques Coeur (c. 1395-November 25, 1456)
Mwene Matapa Nyatsimba (c. 1400-c. 1450)

1401-1500

Filippo Strozzi (1428-1491)
Alexander VI (January 1, 1432-August 18, 1503)
Jacopo de' Pazzi (1433-April 30, 1478)
Lorenzo de' Medici (January 1, 1449-April 9, 1492)
Liu Jin (1452-1510)
Jakob Fugger (March 6, 1459-December 30, 1525)
Agostino Chigi (c. 1465-1520)
John Colet (c. 1466-September 16, 1519)
Montezuma II (1467-c. June 30, 1520)
Bartholomeus Welser (c. 1488-c. 1561)
Süleyman the Magnificent (1494 or 1495-September 5 or 6, 1566)

1501-1600

Atahualpa (c. 1502-August 29, 1533)
Juan Antonio Corzo Vicentelo (c. 1517-April 17, 1587)
Sir Thomas Gresham (1518 or 1519-November 21, 1579)
Bess of Hardwick (c. 1527-February 13, 1608)
Sir John Spencer (c. 1530-March, 1610)
Francis Drake (c. 1540-January 28, 1596)
Sir Horatio Palavicino (c. 1540-1600)
Seventh Duke of Medina Sidonia (September 10, 1550-July 26, 1615)
First Earl of Cork (October 13, 1566-September 15, 1643)
ʿAbbās the Great (January 27, 1571-January 19, 1629)
Scipione Borghese (1576-October 2, 1633)
Ivan Borisovich Cherkassky (c. 1580-April 4, 1642)
Andries Bicker (1586-June 24, 1652)
Shantidas Zaveri (c. 1587-1659)
Shah Jahan (January 5, 1592-January 22, 1666)
Virji Vora (c. 1594-c. 1670)
Adam Kazanowski (1599-1649)

1601-1700

Nikita Romanov (c. 1607-December 21, 1654)
Nicolas Fouquet (1615-March 23, 1680)
Aurangzeb (November 3, 1618-March 3, 1707)
Mitsui Takatoshi (1622-1694)
Abdul Ghafur (c. 1622-1718)
Sir John Banks (1627-1699)
Stephen Fox (March 27, 1627-October 28, 1716)
Louis XIV (September 5, 1638-September 1, 1715)
Thomas Guy (1644 or 1645-December 27, 1724)
William Penn (October 14, 1644-July 30, 1718)
First Duke of Marlborough (May 26, 1650-June 16, 1722)
Samuel Bernard (October 29, 1651-January 18, 1739)
Mitsui Takahira (1653-November 27, 1737)
Grigory Stroganov (1656-November 21, 1715)
James Craggs (baptized June 10, 1657-March 16, 1721)
Osei Tutu (c. 1660-1717)
Robert Carter (c. 1663-August 4, 1732)
John Law (baptized April 21, 1671-March 21, 1729)
Aleksandr Danilovich Menshikov (November 16, 1673-November 23, 1729)
Fateh Chand (c. 1680-1744)
William Pulteney (March 22, 1684-July 7, 1764)
Yodoya Tatsugorō (b. c. 1686)
Ma Yueguan (c. 1688-1755)
Samuel Bellamy (baptized March 18, 1689-April 26, 1717)
Jean Pellet (1694-1772)

1701-1800

Samuel Fludyer (1704 or 1705-January 18 or 21, 1768)
Benjamin Franklin (January 17, 1706-April 17, 1790)
Nikolaus Esterházy (December 18, 1714-September 28, 1790)
Robert Clive (September 29, 1725-November 22, 1774)
Josiah Wedgwood (baptized July 12, 1730-January 3, 1795)
Henry Cavendish (October 10, 1731-February 24, 1810)
George Washington (February 22, 1732-December 14, 1799)
Sir Richard Arkwright (December 23, 1732-August 3, 1792)
Robert Morris (January 31, 1734-May 8, 1806)
John Hancock (January 12, 1737-October 8, 1793)
Moses Brown (September 23, 1738-September 6, 1836)
Richard Crawshay (1739-June 27, 1810)
Elias Hasket Derby (August 16, 1739-September 8, 1799)

1801-1900

1901-1910

1911-1920

1921-1930

1931-1940

1941-1950

1951-1960

1961-1970

Jeff Bezos (January 12, 1964)
Michael Dell (February 23, 1965)
J. K. Rowling (July 31, 1965)

1971-1980

Sergey Brin (August 21, 1973)
Tiger Woods (December 30, 1975)

Electronic Resources

Web Sites

The following sites were visited by the editors of Salem Press in 2010. Several of the Forbes *and* Fortune *magazines lists, and* The Sunday Times Rich List*, may have been updated since then, and users can access the most current listings via Google or another search engine. Because URLs frequently change, the accuracy of these addresses cannot be guaranteed; however, long-standing sites, such as those of magazines, major newspapers, and national organizations, generally maintain links when sites are moved or updated.*

Forbes Magazine Lists of the Wealthiest Individuals of the Twenty-first Century

Asia's Twenty-five Richest: 2010
http://www.forbes.com/2010/03/09/asia-richest-people-lee-shau-kee-billionaires-2010-li_slide.html

Provides information on the twenty-five richest Asians who were included in the 2010 list of world billionaires, with photographs and a brief profile of each person.

Dead Celebs: 2009
http://www.forbes.com/2009/10/27/top-earning-dead-celebrities-list-dead-celebs-09-entertainment_land.html

Some famous people can amass a fortune long after their deaths, and *Forbes* has compiled a list of the top-earning dead celebrities. There were thirteen people on the 2009 list, including fashion designer Yves Saint Laurent, writers J. R. R. Tolkien and Dr. Seuss, artist Andy Warhol, cartoonist Charles Schultz, and musicians Michael Jackson, Elvis Presley, John Lennon, Richard Rodgers, and Oscar Hammerstein.

Europe's Twenty-five Richest: 2010
http://www.forbes.com/2010/03/09/europe-richest-people-bettencourt-billionaires-2010-arnault_slide.html

Focuses on the twenty-five richest Europeans who were included in *Forbes* magazine's 2010 listing of world billionaires, with photographs and a brief profile of each person.

***Forbes* Top Fifteen Wealthiest Black Americans**
http://thefutureforward.blogspot.com/2010/01/forbes-top-15-wealthiest-black.html

In 2010, *Forbes* magazine published a list of the fifteen wealthiest African Americans. This Web page contains that list, in which television talk show host Oprah Winfrey was ranked number one, with a net worth of $2.7 billion. Winfrey was the only billionaire among the fifteen people, and she and the other fourteen were all self-made millionaires. Some of the other people on the list were golfer Tiger Woods, with a net worth of $600 million; Black Entertainment Television (BET) executive Robert L. Johnson, whose net worth was $500 million; and former basketball stars Michael Jordan and Earvin "Magic" Johnson, who were worth $525 and $500 million, respectively.

The Four Hundred Richest Chinese: 2009
http://www.forbes.com/lists/2009/74/china-billionaires-09_The-400-Richest-Chinese_Rank.html

Offers a complete list of the Chinese billionaires, with their names, ages, net worth, and companies with which the individuals are associated. A section of the site focuses on the forty richest individuals in China, with profiles and photographs of each.

In Pictures: Richest Twenty-five American Billionaires, 2010
http://www.forbes.com/2010/03/09/united-states-richest-people-warren-buffett-michael-bloomberg-billionaires-2010-gates_slide.html

According to *Forbes*, in 2010 the United States had 403 billionaires with a collective net worth of $1.3 trillion. This Web site provides photographs and brief profiles of the twenty-five wealthiest Americans.

India's One Hundred Richest: 2009
http://www.forbes.com/2009/11/18/india-100-richest-india-billionaires-09-wealth_land.html

Users can access information about these one hundred people by the individuals' rankings on the list, their names, net worth, ages, and cities in which they work or reside. A section of the site focuses on the forty richest individuals in India, with profiles and photographs of each.

Latin America's Ten Richest Billionaires: 2010
http://www.forbes.com/2010/03/09/americas-richest-people-eike-batista-carlos-slim-billionaires-2010-safra_slide.html

An overview of the ten richest Latin Americans who were included in the 2010 list of world billionaires, with photographs and a brief profile of each person.

The Richest People in America: 2009
http://www.forbes.com/2009/09/30/forbes-400-gates-buffett-wealth-rich-list-09_land.html

Forbes magazine annually ranks the four hundred wealthiest Americans. This Web site contains the 2009 list and provides a separate page about each of the persons listed, with brief profiles and photographs. This site also enables users to access Web pages about wealthy individuals who made their money in the fields of finance and investments, technology and medicine, service and retail, the media, real estate, food and manufacturing, and energy. Users can sort the list by the individuals' names, net worth, ages, residences, sources of wealth, states, and industries.

The World's Billionaires: *Forbes* Magazine 2010 Rich List
http://www.forbes.com/2010/03/10/worlds-richest-people-slim-gates-buffett-billionaires-2010_land.html

Forbes magazine has essentially cornered the market for listings of wealthy individuals from all over the world and from a variety of ethnic backgrounds. Foremost among these rankings is the magazine's annual list of the world's billionaires. In 2010, Mexican business tycoon Carlos Slim headed the list with a net worth of $53.5 billion, beating out Americans Bill Gates and Warren Buffett. The complete list is on the Web, with information about the billionaires' net worth, ages, and countries of nationality and residence. Users can also obtain a separate page of information about each billionaire, with a photograph and a brief profile describing the person's age, country of citizenship, source of wealth, education, and marital status. Other sections of the site provide articles on billionaires' homes and playgrounds, technology's youngest and richest billionaires, the world's richest women, and billionaires from the United States, Latin America, Asia, and Europe. There is also information about people who dropped off and returned to the list in 2010, as well as "billionaires you've never heard of."

World's Richest Women: 2009
http://www.forbes.com/2009/06/09/worlds-richest-women-walton-bettencourt-business-billionaires-wealth.html

Forbes magazine compiled this list of the world's wealthiest women, many of whom were included in its annual list of billionaires. In 2009, the top-ranked woman was Christy Walton, the widow of Wal-Mart scion John Walton; her net worth was estimated at $20 billion. This site contains a separate page about each of the women on the list, with a brief profile and photograph (if available).

OTHER LISTS OF WEALTHY INDIVIDUALS

***The Sunday Times* Rich List 2010**
http://business.timesonline.co.uk/tol/business/specials/rich_list/rich_list_search/

The Sunday Times newspaper compiles an annual list of the wealthiest individuals or families in the United Kingdom and Ireland. The 2010 list contains the names of one thousand millionaires and billionaires whose cumulative wealth was £335.5 billion, an increase of £77.265 billion, or 29.9 percent, since 2009, the largest annual rise in the twenty-two-year history of the list. Steel tycoon Lakshmi Mittal topped the list, with a personal fortune of £22.45 billion.

World's Richest Latinos of 2009
http://www.dtmmag.com/news.php?nid=915

DTM magazine lists eight wealthy people from the United States, Mexico, and several South American countries, including Alex "A-Rod" Rodriguez of the New York Yankees, actor and singer Jennifer Lopez, and Brazilian entrepreneur Eike Batista.

RICHEST PEOPLE IN AMERICAN HISTORY

The Wealthiest American Ever
http://www.nytimes.com/ref/business/20070715_GILDED_GRAPHIC.html

The New York Times compiled this interactive graph of the thirty wealthiest people in the history of the United States. The graph enables users to access a brief profile and a link to the *Times'* obituary or to related *Times* articles for each individual. John D. Rockefeller leads the list, with a net worth of $192 billion (adjusted in 2007 dollars), followed by Cornelius Vanderbilt, with $143 billion.

Other Useful Web Sites

Economic Mobility Project: An Initiative of the Pew Charitable Trusts
http://www.economicmobility.org

Some of the wealthiest people in the United States were self-made millionaires, who came from lower- or middle-class backgrounds but were able to move up the social and economic ladders to amass large fortunes. The Economic Mobility Project (EMP), in the words of its Web site, "focuses public attention on economic mobility—the ability to move up or down the income ladder within a lifetime, or from one generation to the next." EMP seeks to forge "a broad and nonpartisan agreement on the facts, figures and trends in mobility" in order to generate policy debate "about how best to improve economic opportunity in the United States and to ensure that the American Dream is kept alive for generations that follow." The site allows users to download articles exploring various aspects of economic mobility, including examinations of advanced economic mobility through savings, post-secondary education, and attendance at community colleges; the mobility gap between black and white Americans; an economic mobility poll; and "Chasing the Same Dream, Climbing Different Ladders: Economic Mobility in the United States and Canada." In addition, the Findings at a Glance section of the site provides numerous summaries of the project's findings.

EH.Net Encyclopedia of Economic and Business History
http://eh.net/encyclopedia

This site provides easy access to reference articles written, edited, and screened by experts in the fields of economic and business history. The online encyclopedia contains a wide range of topics, not only about the economic history of the United States but also about the economy of many other nations, including premodern China, ancient Greece, the Dutch golden age in the sixteenth and seventeenth centuries, Australia, Japan, Korea, and Malaysia. One of the articles examines Gresham's law, while others look at specific industries, such as aerospace, agriculture, banking, coal, telegraphy, and savings and loans.

***Fortune* 500**
http://money.cnn.com/magazines/fortune/fortune500/2009/full_list/

Some of the wealthiest Americans in history have been executives or investors in major corporations. *Fortune* magazine annually compiles a list of the five hundred major American corporations. This Web site provides access to the magazine's lists from 1955 to the most recent year in which the corporations were ranked. Users can also find specific information for the latest list, such as the state in which each corporation is located, an alphabetical roster of companies' chief executive officers, the "*Fortune* One Thousand Best Companies to Work For," and America's fastest-growing industries.

Subscription Web Sites

The following Web-based databases are available only to paying subscribers. Many public, college, and university libraries subscribe to these sources. Readers can consult library Web sites or ask reference librarians about availability.

AP Images from AccuWeather
http://apimages.accuweather.com

The Associated Press (AP) is one of the longest-operating news gathering organizations, and this site provides access to the AP's captioned photographs from 1828 to the present, as well as audio sound bites, graphics, and texts. AP Images contains a search engine for both keyword and advanced searches, with the capability to locate photographs by the name of the person in the photo, the date the photo was taken, major historical events, photo location, and the full text of the caption. More than 3.5 million primary-source photographs and more than 100,000 graphics, including maps, time lines, logos, and graphs, are included in this database. The audio section contains more than forty-five hundred hours of brief clips from news broadcasts, interviews, and other sources.

Cambridge Histories Online
http://histories.cambridge.org/public_home

Cambridge University has published more than 250 history books, including economic histories of premodern and modern Europe, India, Latin America, the Greco-Roman world, the United States, and modern Great Britain. These books and the other history volumes are available online. The university's online resource contains a search engine that enables users to access content-specific information.

Dun and Bradstreet (D & B) Million Dollar Databases

http://www.dnbmdd.com/mddi

Dun and Bradstreet, which provides numerous services to businesses, maintains two Internet databases. The North American Million Dollar Database offers information on about 1.6 million American and Canadian public and private businesses. Company information pages list the number of employees, annual sales, type of ownership, principal executives, and biographies.

The International Million Dollar Database provides similar information about more than 1.6 million international companies.

Encyclopedia Britannica Online

http://www.britannica.com

The thirty-two-volume encyclopedia, a long-established and authoritative reference book, is available online to subscribers. In addition to the encyclopedia's articles, the online version contains numerous features that are not found in the printed volumes. These features include the Merriam-Webster *Collegiate Dictionary* and *Thesaurus*; a Research Tools section, with a Video Collection; *Britannica Daily*, containing *Britannica* Blog, This Day in History, and Biography of the Day; a daily news blog with links to article update alerts, *The New York Times*, and British Broadcasting Corporation (BBC) sites; and full-text links to scholarly journals and magazine articles from EBSCO Publishing.

Encyclopedia of American Wealth

http://www.raken.com/american_wealth/encyclopedia/index.asp

This site, in its own words, enables "users to search and analyze the history and genealogy of the wealthy families of America in a structured way, according to your needs and interests." It includes biographical profiles of both wealthy individuals and families; examinations of the industries or ventures in which these individuals and families made their fortunes, ranging from plantation owners and slaveholders in 1860 through corporate chief executive officers in 2008; lists of wealthy families from 1850-1925; and lists of wealthy individuals from 1675 through 1950, with the individuals' names, residences, sources of wealth, and estimated fortunes. The encyclopedia also provides brief historical overviews that describe wealth in colonial and mercantile America, America in the Gilded Age, and America in the twentieth century and beyond; some of this information can be accessed without a subscription to the site, but the majority of the data is available only by subscription. The site also features bibliographies and Web links.

Oxford Dictionary of National Biography Online

http://www.oxforddnb.com

The online version of the Oxford Dictionary of National Biography is an authoritative reference source. The site states that the dictionary has more than 576,250 biographies of "people who shaped the history of the British Isles and beyond, from the earliest times" to the current year. The biographies have been continually updated and new ones have been added each year since the online version was introduced in 2004. Many of the biographies are illustrated with drawings or photographs.

The Rich Register

http://www.richregister.com/products.cfm

Hoover's, Inc., a long-established publisher of business information resources, annually produces both a print and online database version of The Rich Register. The online register contains profiles of more than six thousand individuals whose net worth is greater than $25 million, ranging from well-known billionaires to more obscure entrepreneurs and heirs to large fortunes. For each individual, the register lists an office address, telephone number, estimate of wealth, source of wealth, college from which he or she graduated, and brief business history and biography. In addition, there are lists of the wealthiest African Americans, Hispanics, and women and of America's billionaires; a nationwide ranking, in order of wealth, of the richest men and women; rankings of the wealthiest individuals in each state; a list of owners of professional sports teams; and a list of America's youngest and wealthiest entrepreneurs.

ELECTRONIC DATABASES

Electronic databases usually do not have their own URLs. Instead, public, college, and university libraries subscribe to these databases, provide links to them on their Web sites, and make them available only to library cardholders or specified patrons. Readers can check library Web sites or ask reference librarians to check on availability of these databases.

GENERAL REFERENCE

World Book Encyclopedia

Several versions of this popular and authoritative reference source are available for school and public libraries, including versions for young children, elementary and middle-school students, and older users. Each site features articles from the encyclopedia, as well as illustrations.

BIOGRAPHY RESOURCES

Biography Reference Center

Created by EBSCO Publishing, Biography Reference Center is an online collection of more than 450,000 full-text biographies, including the complete full-text run of Biography Today and Biography, as well as thousands of other narrative biographies. This site enables users to conduct keyword searching and to access biographies in more than twenty-five categories, including figures relevant to American history and to world history.

Biography Resource Center

Produced by Gale Cenpage Learning, this database includes more than 450,000 biographies on more than 380,000 people. This information is acquired from more than one thousand volumes of Gale's reference sources and is supplemented by full-text articles from 135 magazines. Users can search for biographies in specific categories, including business leaders; African, Hispanic, and Asian Americans; notable Canadians; and British and world royalty. The database also enables users to search by occupation, nationality, ethnicity, year of birth and death, and gender.

Biography Resource Center: African Americans

This electronic collection, produced by Gale Cenpage Learning, features almost thirty thousand biographies of more than twenty-four thousand African Americans who have attained prominence in a number of areas, including the arts, business, current events, entertainment, government, history, literature, politics, and sports.

Wilson Biographies Plus Illustrated

Produced by H. W. Wilson, this database contains more than 147,000 narrative profiles, more than thirty-six thousand images, bibliographies, and links to related material. Content is derived from Wilson reference books, including Current Biography, as well as from information licensed from other reference publishers.

BUSINESS RESOURCES

The following are among the electronic databases that provide information about the companies (and in some cases, successor companies) that were the source of wealth for many rich people:

Business and Company Resource Center

This database, created by Gale Cenpage Learning, provides information about companies and industries, with separate search engines for both of these categories. Another search engine enables users to access articles about business that have been published in magazines and journals. The company information pages offer brief narratives; the name or names of the parent company or companies; and statistics regarding annual sales, number of employees, year founded, and corporate officers.

Business Source Complete

EBSCO Publishing, the creator of Business Source Complete, describes this resource as "the world's definitive scholarly business database," with a collection of bibliographic and full-text material. The database features articles from more than thirteen hundred business-related journals. Additional content includes financial data, major reference works, conference proceedings, case studies, investment research reports, industry reports, market research reports, country reports, and company profiles, among other information.

Hoover's Company Records

ProQuest, a database provider, maintains an electronic database of company records compiled by Hoover's, Inc., a producer of business reference materials. Database users can obtain profiles of more than 40,000 companies, 600 industries, and 225,000 key executives. The available information includes company overviews and histories, as well as data about officers and board members, competitors, products, operations, and related industry information.

Reference USA

Some public and academic libraries subscribe to Reference USA, which includes a U.S. business database. Information in this database can be accessed via a business's name; the first or last name of an executive; and the city, state, or telephone number of a business. There is specific information about each business's location; profiles of the business itself and the industry in which it operates; and demographic data about sales volume, number of employees, and credit rating. Additional information includes a management directory, company news reports, stock data for publicly traded firms, and lists of competing companies.

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