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THE ASTOR FORTUNE

BY
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WE are accustomed to regard the great American fortunes as peculiarly the product of American genius and enterprise. We have an unbounded admiration for the aggressive leaders who have built our railroads, laid our telegraph and cable lines, and organized our manufacturing plants — an admiration based largely on the conviction that, in piling up riches for themselves, they unconsciously created the nation's wealth. Activity is so much the national watchword that we can hardly conceive of a great fortune accumulated by slow and easy stages, with no undue display of energy by its possessors. One of the largest American estates, however, is not an over-night growth ; not the creation of dazzling enterprise or the green baize of Wall Street. It is the result of a century's savings, the product of the old-stocking school of finance. Its beneficiaries can lay claim to no great genius, except the genius, perhaps the rarest of all, of profiting by others' labor. They have contributed practically nothing to upbuilding the Republic, and yet few have reaped so richly from its growth.

The headquarters of the Astor estate is a two-story red brick building on Twenty-sixth Street, just west of Broadway. Its heavily barred windows are expressive of the policy of exclusiveness and silence which reign within. It is divided by a heavy partition, the eastern half utilized by what may be called the Foreign, or English Department, the western by the American branch. Day after day files in a procession in every way typical of New York. At one time it is an unkempt Russian Jew from the East Side ; at another a paragon of fashion from Fifth Avenue ; at another a dapper business man from downtown. They come to lease fashionable residences or great business buildings, in many cases to pay over the counter their monthly tribute. Every morning arrives a mass of mail, from which the clerks collect a huge bulk of checks — the rent money for the thousands of Astor tenements, residences, hotels, office buildings, docks, and leased lands. Periodically a certain portion of this is sent up to Fifth Avenue and Sixty-sixth Street, where Mr. John Jacob Astor, fourth of that name, lives in state. How much it is few men except the recipient know, the Astors, above all, never talking of their wealth. According to the closest observers, however, it cannot be less than \$3,000,000 a year. Twice, if not three times that amount, is sent to Cliveden, Taplow, Bucks, England, where lives the greatest absentee landlord in the

world, the present head of the Astor family. His one connecting link with his abjured country, and the one touch of sentiment in the Astor office, is a little back room, formerly the business headquarters of William Waldorf's father, the third John Jacob. The desk is precisely as he left it when he died in 1890, and every morning, by the orders of his now British son, a cluster of fresh roses is placed upon it.

Most of the income obtained from their holdings, both John Jacob and William Waldorf reinvest in New York real estate. No such nonsense as university endowments, charity hospitals, people's institutes, or library chains for them. They have learned the lesson of the unearned increment too well.

Here, then, in the most democratic city of democratic America, is a great family, established on purely aristocratic lines. It has many branches — the Delanos, the Chanlers, the Careys, the Van Alens, the Wendels, and the rest — whose collective fortune cannot be far from \$450,000,000. The story of how this immense store was heaped up, and the forces contributing to it, should be one of the most suggestive chapters in American economic history. Ultimately it is based upon the foresight of one man — the first in a long line of American prophets who, unlike the seers of old, have translated their vision into substantial dollars and cents. This man, the ragged son of an idle German butcher, landed from the steerage at New York 120 years ago. According to his great-grandson, William Waldorf, Johann Jakob Astor was descended from one Jean Jacques D'Astorga, a Spanish grandee of the twelfth century. Soon after his arrival in New York, however, he was a delivery boy for a German baker. "Yacob was nodding but a little paker poy," once remarked his sister, a Mrs. Ehringer, "und soldt pread und cake." With the main facts of his life most of us are familiar : how he made solitary trips through the unfrequented forests of New York State; how he bartered gold, beads and firearms with the Indians for furs; how he sent these to China in his own ships, bringing back cargoes of tea, for which the Americans of those days had a famous appetite. That he made a snug fortune is evident from the fact that, by 1800, he was living on the Broadway block where the Astor House now stands, with such neighbors as Rufus King, David Lydig, and John Rutherford; but Astor's ambitions reached far beyond this. About this time he made the discovery which has proved so profitable — that America was to be a great and populous country, and that New York was to be its capital. How best could he turn this sufficiently obvious fact to his own advantage? Astor looked north from the City Common — now City Hall Park — and found his answer in the sweeping fields and forests and swamps of the Knickerbocker yeomanry. Not many years hence, he said, these neglected farms will be occupied by the houses and business buildings of a hard-working, rent-paying people. At present their owners, year after year, plant their corn and wheat and potatoes, altogether oblivious of the golden crop the future is to yield. Many of them are pinched for money ; their great estates are heavily mortgaged ;

anyone so foolish as to buy would be a welcome deliverer. And after I have purchased them, what then ? Simply sit down and wait. No anxiety, no sleepless nights, no work. Year after year the city will grow northward and gradually envelop these farms. It can make no progress without first coming to terms with those who then own them. If I should be that happy man, I would not even take the trouble to make my own improvements or put up my own buildings. A sharp-witted man could so manage matters that, in most cases he could even escape taxation. In ten, twenty, and thirty years the people will need the land badly enough to do these things themselves. Never was man given so splendid an opportunity to reap where others have sown.

And thus began the extended land purchases which have continued uninterruptedly to this day.

Perhaps Astor received his earliest hint from his brother Henry, who antedated him in this country several years. According to tradition, Henry came over during the Revolution as a sutler in the Hessian army. Heinrich Astor was a rotund, rollicking butcher, whose keenness for money-getting was tempered by good-humor. Every day he jovially pushed his merchandise in a wheelbarrow from the Bull's Head market in the Bowery to his stall in Hanover Square. To that daily exercise the great Astor fortune owes its beginning. Henry Astor bought several acres on the Bowery, part of which he later sold to his brother Jacob. In the neighborhood of Hester Street, in a district now densely populated by Italians, "Jacob Astor, furr merchant," purchased largely. The prices paid seem ludicrous today. Thus the Bayards, whose hayricks stood on a great stretch of land now covered by the sky-scrappers of lower Broadway, gladly sold dozens of lots at \$200 and \$300, which are now worth \$300,000 and \$400,000. Thus one John Samler and his wife Catharine — who signed the deed, with "her mark"— parted with their East Side farm and ropewalk for \$20,000. Had they held on, their descendants would now have a fortune of at least \$8,000,000. Astor's transactions were the sensation of the day. Much of the property he bought was marsh and rock, and the sellers signed it away with tongue in cheek. There was, indeed, little less than a stampede to "unload". Astor's best friends begged him not to fritter away the fortune so industriously acquired in legitimate trade. He patiently listened to their advice and then bought more land.

Astor purchased nothing that seemed really worth while. Well-rented dwellinghouses and business buildings had no attractions. He was daft on farms. Such paying property as he had he sold. He thus disposed of a Wall Street house for \$8,000. The purchaser, after the deed was signed, chuckled over his bargain. "Mit dis eight tousand tollar," replied Astor, "I vill puy me eighty lots up der Broadway, near Canal Street. In ten years dey vill be vorth \$1,000 each, und dis Vail Street house vill be vorth just vat it is now." So the event proved. And in this one episode we find the secret of the Astor

wealth.

William Waldorf Astor, in an article published some years ago in his *Pall Mall Magazine*, almost indecently exults over the fact that few of the great landholders a century ago are landlords today. The estates of nearly all have passed into the hands of foreigners. More interesting still are the circumstances under which they have been lost. John Jacob Astor's record, for example, is constantly crossed by embarrassed families, prodigal sons, mortgages, and foreclosure sales. Many of the victims of his foresight were those highest in church and state. He thus acquired for \$75,000 one-half of Govenor George Clinton's splendid Greenwich country place. With this, however, Astor was not content. After the Governor's death he kept persistently at the heirs, lent them money, and acquired additional slices of the family property. Clinton's most distinguished son-in-law was Edmond Charles Genet. -- Citizen Genet, who, after his troubles with Washington, became an American citizen, married Clinton's daughter, and settled in New York. From Astor he occasionally borrowed money, pledging real estate which the former ultimately acquired. Nearly two-thirds of the Clinton farm is now held by Astor's descendants, and is covered by scores of wholesale business buildings, from which is derived an annual income estimated at about \$500,000.

Frequently these farms got into the chancery courts, and Astor was always then on hand. Thus, one John Cosine, in 1809, inherited a great tract extending on Broadway from Fifty-third to Fifty-seventh Street, westward to the Hudson River. Astor slowly wormed his way into this property. For eight years its history is a miserable tangle of judgments, mortgages, foreclosure sales, and trusteeships. From the whole unsavory affair Astor finally emerges, foreclosing a mortgage and securing at about \$23,000 a property now worth \$6,000,000. Thus, in 1797, one Medcef Eden inherited a princely farm on Broadway, from Forty-second to Forty-sixth Streets extending northwesterly to the Hudson. Medcef appears to have frittered it away. While it is being pledged for loans and attached for debt, Astor acquires a third interest in an outstanding mortgage, forecloses, and obtains for \$25,000 a property now worth at least twenty millions. Associated with him is one William Cutting. On the division, poor Cutting is no match for Astor. The latter gets all the Broadway blocks and Cutting is forced, for his share, toward the water-front. Astor, however, is not permitted to enjoy the property in peace. Certain Eden heirs in England come to New York, and appeal to the courts, where the matter drags 20 years. Astor finally buys them off for \$9,000. It is too bad that John Eden, of Yorkshire, England, who surrendered his well-grounded claim at this figure, cannot visit this property today. He would find the place where his brother gathered his modest crops now ablaze with the electric lights of the city's great office buildings, theaters, restaurants and hotels. He would see two enormous Astor hotels, valued at \$7,000,000, on the borders of his old Bloomingdale Road, and westward

from this some three hundred dwellings, all erected on the Eden farm, now paying tribute to the descendants of his old enemy.

Again, the little fur merchant got more than one-third the whole estate of Trinity Church. In Astor's time, Trinity was afflicted with the prevailing financial malady — it was land-poor. Originally, it owned nearly all the land on the West Side, reaching from Chambers to Christopher Street. Much of this Trinity had leased for 99 year periods at nominal rentals. Other portions it sold to pay current expenses. One of the earliest to profit by this ecclesiastical poverty was John Jacob Astor. Was the church back on its pastor's salary ? Mr. Astor would kindly advance the amount, taking in payment several useless lots on the church farm. Was money needed for the support of the parish poor, to start a parish school, to assist some orthodox congregation in extremis? Mr. Astor always had a few hundred or a few thousand dollars for this charitable purpose — provided he could have a block or so of land in exchange. It so happened that one of the Trinity leases, covering a third of the whole farm, was held by Aaron Burr. Under Burr and his brilliant daughter, Theodosia, Richmond Hill became the most famous place of hospitality in New York. Talleyrand, Jerome Bonaparte, and Louis Philippe were entertained there. Astor, however, was not charmed by its literary and political associations, or its natural beauty. But he did see that the city was inching up to Richmond Hill, and that it would soon be needed for building lots.

Meanwhile, Burr lived recklessly and extravagantly and, even while vice-president of the United States, was threatened with imprisonment for debt. Richmond Hill, too, was heavily mortgaged, the mortgage payable in July, 1804. About this time Burr became involved in his quarrel with Hamilton. His letters to Theodosia show that the sale of Richmond Hill was the only possible way of forestalling ruin. So, as his mortgage came due, and just a month before the Hamilton duel, Astor bought the place for \$160,000. Unquestionably this money facilitated Burr's flight; perhaps it was used, who knows, in his wild Southwestern scheme? Burr returned to New York after his miserable wanderings in Europe, but never succeeded in rehabilitating himself. His old law clients shunned him ; his former friends ignored him ; the only faithful ones were his creditors. Among these was Astor, who acquired, piece by piece, all that was left of Richmond Hill. Between the lines of the moldy real estate records of New York we can trace the wretchedness of Aaron Burr.

All Astor purchased was Burr's leasehold, which had 62 years to run. Astor paid Trinity \$269 a year. For half a century the land had been worth little more. Almost as soon as Astor obtained possession, however, it became very valuable. Astor himself was not responsible for this. Trinity Church laid out the present streets, built St. John's Park just south of Richmond Hill, and in other ways tempted fashion and wealth from

lower Broadway and Franklin Square. Soon Astor obtained about \$25,000 yearly from this part of the church farm. From this he deducted every year \$269, which he paid as rent to Trinity. As late as 1856, when the Astor family drew a great income from the Trinity Farm, that church itself had a standing debt and an annual deficit which it met by selling more land. In 1866 the lease expired and Trinity came again into her own. Almost immediately, however, the residential popularity of the section began to decline.

Astor's active periods were almost coincident with cycles of public misfortune. When his adopted country was engaged in the second war with Great Britain, and New York was daily expecting a bombardment — that was Astor's harvesting time. He was a large money-lender on real estate security, and, in the war of 1812, did not hesitate to foreclose. In the panic of 1837, however, he was especially active. New York has never known such suffering. Philip Hone, ex-Mayor and inimitable annalist, writes in his diary : " Here, in the city of New York, trade is stagnant. Local stocks are lower than ever; real estate is unsalable at any price ; rents have fallen and are not punctually paid, and taxes have increased most ruinously. The pressure is severe enough upon the owners of houses and stores who are out of debt, but if the property is mortgaged, and the 7% cent interest must be regularly paid, God help the owners !" No one profited so much from this state of affairs as Astor, because few had ready cash. "Going, going, gone —to John Jacob Astor!" was the familiar cry in the auction-room. Astor's last real estate transaction, put through a month before his death, was a foreclosure on one of the tenants of the Burr estate. In all, he appeared as the complainant in some 60 different proceedings during this trying time, the properties in all cases going to himself at absurd figures. Thus he obtained, at \$2,000, a block in Harlem now worth \$1,000,000. His foreclosures aroused the greatest indignation. In one instance, after Astor had bid in lots for \$5,600, now worth \$600,000, the court compelled him to pay a bonus.

Thus, by fifty years' incessant labor, buying vacant property, which rapidly became available for building, and reinvesting the income in more farms, Astor became the richest man in America. And what was the nature of the man himself, outside of these sordid details ? He was not popular in his generation, and is treated somewhat harshly by contemporary commentators. He had no pity for backward tenants. James Parton tells how Astor was tossed in a blanket for exercise in his last days, and between throws anxiously inquired whether certain backsliders had paid up. The picture, however, is not unrelieved by an occasional human touch. Here and there are stray tributes to Astor's honesty. Philip Hone testifies that he always found him fair and just. His life was made unhappy by a great domestic sorrow. His oldest son and namesake was an imbecile from birth. In his famous will he sets apart a plot in the Clinton farm for "my unfortunate son John," and provided \$10,000 a year for his

maintenance. Here a large house, surrounded by a high stone-wall, was constructed, and in this, with a few attendants, the solitary idiot lived for many years, an object of superstitious awe to the neighbors. Astor found consolation in his second son, William Backhouse, from his earliest years his heir apparent. William B. Astor seems to have been a very worthy, though somewhat colorless, person. He established his social position by marrying the daughter of General Armstrong, Madison's unfortunate Secretary of War, and lived in considerable state. He was hard-fisted, but not so stingy as his father. When the latter died without remembering any of his faithful lifelong servants, William B. pensioned them himself. He was educated at Gottingen, affected the society of literary men, and even took a shy at authorship himself. He early became a partner with his father in the fur business, and dealt largely in real estate. His uncle Henry, the original American Astor, left him a large amount of choice property. He was thus rich in his own right, and had several millions when his father died. In some ways he was even a better judge of real estate. The greatest family possession, the Thompson farm, on which the Waldorf-Astoria now stands, was his acquisition. Father and son rigidly attended to business in the same office — a little one-story building in Prince Street, just east of Broadway. Their constant companion there was Fitzgreen Halleck — Marco Bozzaris Halleck. Halleck became a clerk for Astor in 1832, and worked seventeen years. The employment, he himself said, was not "profitable, but permanent." Astor warned him when he began not to talk to anyone of his wealth. The two men became great friends. Halleck spent months with his patron at his country seat, and became one of the trustees of the Astor Library. The poet frequently rallied the old man on his wealth, "Why, Mr. Astor," he would say, "if I had \$200 a year and was sure of it I would be content." The great land-owner took him at his word, and in his will, much to the amusement of Bohemian New York, left Halleck an annuity of \$200.

The Astor House is a monument to the affection between father and son. This building was the outcome of a vow made by John Jacob early in life. When a young man, Astor was disgusted at the sensation caused by a new Broadway "mansion." "Some day I'll build a better house on this very street," he said. Years afterward, in fulfilling this pledge, he selected a great preserve of fashion — the block between Vesey and Barclay Streets. One of the houses he owned himself, the rest he bought, paying about \$30,000 each. He struck a tartar in John G. Coster, the last to move — one of the few men who squeezed Astor in a real estate deal. For two years and more they fenced over the price, Astor finally being compelled to pay Coster \$60,000, or just twice what the others had received. The Astor House cost about \$600,000. It was commonly described as a Palais Royal. It was, indeed, a noble pile, as much a marvel with Europeans as Americans. A few days "after it was finished, old Mr. Astor and his son, William B., stood admiring it from City Hall Park.

"Well, William, what do you think of it?" asked the proud proprietor.

The young man expressed his admiration in appropriate terms.

"William, it's yours," replied the old man. And, indeed, a few days later John Jacob conveyed the property to William Backhouse Astor, the consideration being "one Spanish milled dollar and love and affection." Bold as was the experiment, the Astor House was a good revenue producer. In 1850, William B. Astor obtained an annual income of \$30,000 from it.

To his children, indeed, Astor was always kind. Each of his daughters on her marriage received a liberal, though not extravagant, *dot*. He himself always lived, not lavishly, but dignifiedly. He had a handsome town house on the west side of Broadway, between Prince and Houston Streets, a country place at Hoboken, another at Hell Gate. In the latter, then far out in the country — the house stood in the middle of what is now Eighty-eighth Street, east of Avenue A — he spent his last years. Here he frequently entertained Washington Irving. Astor was not without vanity. He was ambitious, for example, that his Astoria enterprise be written up, and importuned Irving to undertake it, offering handsome compensation. The work was written at Astor's Hell Gate home. "For upward of a month," wrote Irving in 1835, "I have been quartered at Hell Gate with Mr. Astor, and I have not had so quiet and delightful a rest since I have been in America. He has a spacious and well-built house, with a lawn in front of it and a garden in the rear. The lawn sweeps to the water's edge, and full in front of the house is the little strait of Hell Gate, which forms a constantly moving picture. Here the old gentleman keeps a kind of bachelor's hall. Halleck, the poet, lives with him. The only other member of his family is his grandson, a fine boy of fourteen years of age (Charles Astor Bristed). I cannot tell you how sweet and delightful I have found the place." Elsewhere Irving bears witness that Mr. Astor is a "strong-minded man, and one from whose conversation much curious information is to be derived." In spite of this, other pictures of Astor's last days are not agreeable. His health was poor, his faculties somewhat impaired. He was affected by that millionaire's malady — a disordered stomach — and in his last days was nourished at a woman's breast. Philip Hone dined at Hell Gate in 1844. "Mr. Astor," he records, "presented a painful spectacle of the insufficiency of wealth to prolong the life of man." In the letters of Joseph Green Cogswell, Astor's "companion" and first librarian of the Astor Library, we have a rather pathetic picture of his last years. About 1835 he began to form plans for his one public benefaction — the Astor Library — but constantly hesitated. The library was wrenched from him by main strength. Cogswell was at him day and night. "Had I not foreseen," he writes, in 1838, "that this object would never have been effected unless someone had been at the old gentleman's elbow, to push him on, I should have left New York long since."

Astor was so fond of Coggswell that he paid him \$1,500 a year to live in his house and talk German with him. To this personal attachment we owe the library. In 1840 Coggswell reports that everything was all settled; then, a month later, that the "whole form is knocked into pi." His patron "keeps shrinking from a decision." Finally, in March, 1842, Irving offered Coggswell the post of secretary to the Legation at Madrid. Astor begged him with tears not to leave. Coggswell finally consented to stay on one condition — that his patron definitely settle the library question. Then again Astor consented. Yet, a month later, Coggswell writes : " Immediately after the first of April I began with him about the building, when he got together architects, masons, contractors, etc., and just as all seemed to be going on rightly he got into one of his nervous fits, and as yet I have not been able to bring him back to the work again." Astor, in fact, never began the building, but did provide \$450,000 for it in his will. He died in March, 1848, aged 84.

Astor had invested about \$2,000,000 in New York real estate. At his death its value was \$20,000,000. When William B. Astor died, in 1876, it had increased to \$100,000,000. By 1890, competent authorities estimated it at more than \$250,000,000. The total Astor holdings now, distributed among several branches of the family, amount to at least \$450,000,000. Here, evidently, we have a most notable instance of the unearned increment. When John Jacob died, the *New York Herald*, in an editorial article, gravely suggested that his property be divided in two parts, one-half to go to his heirs, the other to the City of New York. For it was not Astor's energy or genius, said the *Herald*, which had made him so rich ; it was the city's commerce, its fashion, its men of progress and enlightenment, which had converted his goat-farms and swamps into the richest rent-bearing soil. The owner of great railroads or steel corporations must constantly nurse his fortune, must join in the competition for improved methods and the indispensable men. Under these conditions, a great fortune is a great burden, maintained only by constant vigilance. The whole Astor family, however, could sleep for a hundred years, and at the end find that their riches had grown a hundredfold. All the economic and social forces which have made New York the American metropolis have, entirely without their instigation, also made their wealth.

John Jacob was a capitalist of the leisurely school. He was in no great hurry to benefit by his land operations. The Astor empire could always wait. It is not quite true that he never sold any land, but, in general, he held tenaciously to what he bought. Hardly was he securely interested in the city's most strategic points, however, before it began to grow. As in obedience to a natural law, its growth almost invariably tended along the line of Astor's purchases. Astor himself did nothing to encourage this. The city fathers ran streets through his farms, laid out parks, and otherwise embellished the neighborhoods — usually, however, against Astor's will. He was not fond of paying

assessments, even when he gained enormously thereby. Nor did he tempt the population to settle upon his lands. In fact, his business policy in every way discouraged it. As his plots became available for building,

naturally he had many offers to sell, frequently made by people who would put up ornate buildings that would greatly improve the value of the remaining property. Astor turned them off scornfully. Well, then, would Mr. Astor himself erect the building and rent it on fair terms ? Then again Astor withdrew into his shell. The people became urgent. Here were hundreds of acres; the city was rapidly growing around them. Why did not Mr. Astor erect dwelling-houses, from which he was sure to obtain a large income? Still Astor sullenly held back. To every inquiry he gave the same ultimatum: "I will not sell my land. I will not put up buildings on it. One thing, and one thing only, will I do." That is, he would lease the ground. Any citizen attracted by one of Astor's lots could obtain the use of it for 21 years. He must erect his dwelling at his own expense and, when the ground lease expired, this dwelling became the absolute property of Astor. The tenant, meanwhile, in addition to paying rent on the basis of 5% or 6% of the value of the land, paid all taxes, made all repairs, and became responsible for all charges. Thus year after year Astor compelled his fellow-citizens to improve his property, pay his taxes, and a yearly tribute besides. Astor imported the idea, of course, from Europe, which became accustomed to it centuries ago; but it was never popular in New York. As a result, his property was usually the last built upon. For years many of his great holdings stood vacant, oases surrounded by the buildings of more progressive men. Not all of it is built upon even now. Great blocks of land, purchased by John Jacob Astor a hundred years ago, still stand unused in what are today thriving locations. Property worth millions of dollars is utilized for coal-sheds, blacksmith-shops, and lumber-yards. At first it seemed as though no greater blight could fall upon a section than to have Astor buy near it. Every lively operator knew that the Astor land would lie neglected, and naturally would not purchase or build within gunshot of it. John Jacob, however, was never worried nor annoyed. He knew that he had selected the inevitable sites of business or residence, and that ultimately the public would be forced to accept his terms. So gradually the larger part of his real estate was leased and improved. As the leases fell in, Astor became the owner of scores of tenements, dwellings, and business buildings which had cost him nothing. How his policy has impeded progress is graphically shown by that section of Broadway between Thirty-fourth and Forty-second Streets, where several blocks are owned by collateral Astor descendants. They are covered by one and two-story buildings, in the heart of a great hotel, theater, and shopping district. The owners will not sell and will not build ; and up to date no business men have seen their way clear to accepting their terms.

Astor himself might sleep, but the great city inevitably marched on. While he held

back, that he might eat his cake and have it too, the busy brains and sinews of progressive Americans worked day and night making New York great, and, unconsciously, making John Jacob Astor the richest man of his time. When DeWitt Clinton projected the Erie Canal, he became the leading promoter of the Astor fortune. This diverted the great trade of the West to New York, and increased its population by hundreds of thousands. In whatever direction these new citizens turned, they were obliged to seek their dwelling-places on Astor land. The builders of the railroads and steamship lines terminating at New York were equally the builders of the Astor estate. Immigration has doubled and tripled it. From 1840 to 1850 came a wretched mass of Germans and Irish, settling mainly on the lower east side. At first the Astors were alarmed. Their great holdings there were tenanted by the respectability and wealth of New York, which fled before the unsavory influx. The Astor lands thus seemed in danger of depreciation. On the contrary, they grew in value. The little dwellings which had previously sheltered one family, now housed three and four and five. Consequently they yielded a greater revenue. About 1880 began an invasion of Russian and Polish Jews, who gradually forced out the Irish and Germans. More recently the Jews have been displaced in part by Italians. The more wretched the immigrants, the more valuable the land becomes. For with immigration has grown the tenement system. The three-story gabled houses built in John Jacob's day are replaced by five, six, and seven story barracks. Frequently one hundred people are sheltered on the same amount of land that 50 years ago furnished room for five and six. The soil is thus cultivated intensively. William Waldorf Astor makes twenty blades of grass grow where John Jacob planted one. On the East Side today is the greatest Jewish community in the world, containing some 700,000 souls. In the Eleventh Ward there are more people to the acre than in the slums of Calcutta and Bombay. For three or four unventilated rooms in an Astor tenement the wretched Pole or Russian pays more than a cozy, three-story dwelling cost in John Jacob's time.

Great public improvements, for which the Astors can claim no credit, and which, indeed, they sometimes opposed, have helped to make them rich. The very city plan, adopted by a commission appointed in 1807, most unsatisfactory from the standpoint of beauty and convenience, has been highly profitable to them. When Broadway was run through from the City Hall to Fourteenth Street, it bisected several large plots purchased by John Jacob, and gave him valuable frontages. North of Fourteenth Street, the old Bloomingdale Road, now Broadway, was the only great Manhattan thoroughfare retained. Had this, like the other country roads, been cut out, the Astors would be several millions poorer. Its elimination, for example, would have largely destroyed the value of the Eden farm, already described. Again, the great thoroughfares. Fourth, Fifth, and Sixth Avenues, ran directly through great Astor tracts, now used for the most profitable retail trade. The influence of all transit

changes has been important. The Elevated Road converted Sixth Avenue into a popular shopping section. The owners of several of the largest department stores — Altman ; Simpson, Crawford ; Siegel, Cooper; et al — were obliged to lease land here from the Astors. In spite of this, William B. Astor fought the enterprise. The Subway makes available for apartment houses large blocks of Astor land now vacant. **The several inventors of the elevator and the steel system of construction are the greatest contributors to Astor wealth.** Here was something of which John Jacob, when purchasing the old Knickerbocker farms, never dreamed. His imagination could picture thousands of business buildings and dwellings, all tributary to his descendants, but he could not see that some day his little leafy town would cease growing laterally, and suddenly start into the air. One morning the Astors woke up and found that they had acre after acre of land, previously useful for 4- or 5-story structures, upon which 20- and 25-story office buildings and hotels could be built. The humble inventor of the elevator had thus doubled and tripled their wealth. The old Astor House plot, which previously was worth \$2,000,000, suddenly acquired a valuation of \$5,000,000.

Let us see how, in one specific case, the forces upbuilding New York have contributed to the Astor wealth. Take the Thompson farm — a tract extending east and west of Fifth Avenue from Thirty-second up to Thirty-sixth Street. William Backhouse Astor purchased one-half of this in 1826 for \$25,000; it was then mostly marsh and rock. In 1841 a single lot sold at auction for \$1,200. It is recorded that, when it was knocked down, "a universal titter went through the room" — the price was so ludicrously large ! A few weeks ago this very lot sold for \$400,000. The mere cutting of Fifth and Madison Avenues through this estate was worth millions to the Astors. Fashion pressed up from Washington Square until, about 1860, it reached the Thompson swamp. Where the Waldorf-Astoria now stands, William B.'s two sons, John Jacob III and William, built the two famous Astor houses. Alexander T. Stewart located at Thirty-fourth street, in the splendid palace recently torn down. It is only with the last wave of prosperity, however, and the consequent utilization of Fifth Avenue for business, that its full possibilities have been realized. About three years ago R. H. Macy located just beyond the western border of the Thompson farm. The Rapid Transit Subway skirts its eastern edge. Within a stone's throw is now building the new \$50,000,000 Pennsylvania Railroad terminal. Its tunnel will bisect the old Thompson estate. These corporations, of course, have not located here with the idea of increasing the Astor wealth, but that has been the effect. Thus, at present, there is a stampede among the most expensive retail establishments for a building on Astor land. It is now the recognized headquarters of the "carriage trade." Banks are settling on Thirty-fourth Street. Tiffany is building a twelve-story store at Fifth Avenue and Thirty-

seventh Street; Gorham Mfg. Co., at Fifth Avenue and Thirty-sixth Street. The latter concern will annually pay William Waldorf Astor \$36,000 for the privilege of erecting its own building on fifty feet of land. The greatest change of all, however, is the new Altman store, which will occupy all the block from Fifth to Madison Avenue, Thirty-fourth and Thirty-fifth Streets. When Benjamin Altman built on Sixth Avenue, in 1878, he found that the Astor family owned precisely the land he needed, and has been paying them handsomely ever since. Almost a year ago he selected the above Fifth Avenue location as suited to his needs. And the larger part of this was also owned by the Astors. So he will continue handing over a considerable percentage of his receipts. Thirty-fourth Street, from Fifth to Sixth Avenue, according to conservative investors, will be a greater shopping street than Twenty-third. Lots on the south side and the north side of Thirty-third Street now average in value about \$200,000. The Astors own forty-two. Thus the drift of population and great public improvements have increased the Astor investment in this district from \$25,000 to about \$35,000,000. If the present rate of increase goes on 20 years more, this \$35,000,000 will swell to \$ 100,000,000. How values grow — as well as the profits derivable from an Astor connection — is shown in an episode in the life of George Boldt, lessee of the Waldorf-Astoria. Mr. Boldt was really a poor man when he was engaged by William Waldorf Astor, in 1893, to manage the new hotel. In 1900, however, after six years, he had accumulated enough to buy the southeast corner of Thirty-seventh Street and Fifth Avenue for \$1,200,000. A year ago he sold the plot for \$2,000,000 — making a clear \$700,000 in two years — the greatest speculative profit ever made on one parcel of New York real estate. That was merely a crumb that dropped from the Astor table. Indeed, the Astor properties now increase as never before. Land values, in the last five years, have jumped 50 and 100%. The forces already described have been especially marked since 1900. The city's population grows at the rate of 100,000 a year. In many sections New York has been largely reconstructed ; new headquarters of retail-trade and business have developed ; public improvements initiated since then — tunnels, bridges, subways, railroad terminals — aggregate in cost not far from \$300,000,000. There has been a general movement of corporations toward New York; practically all the newly organized combinations, for example, have located there. When John Jacob died, in 1890, his estate, inherited by William Waldorf, was estimated at \$150,000,000. If it were worth that then, it is worth \$300,000,000 now. The estate of William Astor, who died in 1892, inherited by the present John Jacob, was generally placed at about \$65,000,000. If that were an accurate figure, it must now aggregate at least \$100,000,000. The combined Astor fortune thus increases with accelerated momentum. In 15 or 20 years, at the present rate of progress, it will have reached the billion mark. And then it will go on even

faster, until the ordinary mind is appalled at the portentous figures. We have seen that the \$2,000,000 invested by John Jacob has multiplied at least 200 times in 100 years. If the same rate be maintained for another century, the Astor fortune will attain the unimaginable total of \$80 billion. We stand aghast at such a possibility; but not more so than would have John Jacob's contemporaries had they foreseen the present reality. In 1830 John Jacob Astor was the only man in New York who was worth a million dollars.

The Astors of today are preparing for this stupendous future. Their great incomes, as already said, are not spent in charity or general benevolence. The usual forms of investment, except at rare intervals, do not appeal to them. They are wedded to the soil. The spirit of old John Jacob still inspires his descendants. William Waldorf and John Jacob have profited enormously from the foresight of their great-grandfather, and likewise intend that future generations of Astors shall profit from theirs. We have seen how John Jacob sold his Wall Street house and reinvested the money in outlying sections. William Waldorf and John Jacob do the same. In the last ten years they have sold whole blocks of East Side income-producing land. This was all leased to tenants who had erected tenements, their sole source of income, and who naturally created a disturbance when their holdings were about to be turned over to outsiders. The Astors have adopted the fixed policy, now, in selling their East Side lots, to offer them first, at reasonable prices, to those who own the buildings. With the money thus obtained, William Waldorf and John Jacob have gone far up into the Bronx, where the land is partly wood and partly farm, and purchased hundreds of acres. Now, like the Thompson farm, when William B. Astor bought it, these great tracts are all but worthless; but sometime, perhaps 10, perhaps 20, 50 or 100 years hence, they will be used for residences, office buildings, and hotels. The Astors are in no hurry. They will be content to wait until the enterprise of others has made these Bronx farms profitable; then they will let them out on the old leasehold plan. That they have selected wisely, is already evident. Only the other day the city authorities solemnly voted to extend the Rapid Transit Subway through the heart of the Astor properties in the Bronx!

The Astor policy of inaction, however, is most expensive to themselves. This is strikingly shown by the difference in the fortunes of William Waldorf and John Jacob. The former, as already noted, owns at least three times as much property as his cousin. Their respective fathers, however, started even. In 1876 William Backhouse Astor's \$100,000,000 was divided equally between them. John Jacob III, the father of William Waldorf, was the best of the Astors. He enlisted in the Civil War and joined General

McClellan's staff. He was something of a scholar, giving up much time to the Astor Library. With his wife, a woman of exceptionally beautiful character, he was unobtrusively charitable. He worked hard; could invariably be found at certain hours at his office, and invested his income with good judgment. Above all, he somewhat relaxed the prevailing Astor conservatism ; made more liberal leases, encouraged the improvement of his properties, even put up a few important buildings himself. William, on the other hand, lived in the penumbra of his brother's popularity; spent little time in New York; cared more for his horses and yachts than for business or "society"; and left the management of his property to agents. It was a great neglected estate. The income, while absolutely very large, bore little relation to the capital value. In a lesser degree, similar conditions prevail in the present generation. William Waldorf, in spite of his absurdities, is a man of brains and character, and his property, according to the opinion of the best observers, is far more capably managed than his cousin's, and grows in value much faster. The William Waldorf office seldom errs, runs like clockwork, and is noted for its fair dealings. Perhaps the scheme of organization is somewhat responsible for this. William Waldorf owns absolutely in fee simple all his properties. John Jacob, however, owns outright only a small part. He simply has the income; his estate is managed by three trustees, of whom he himself is one. William Astor recognized William Waldorf's ability, and in his original will also made him a trustee. After the two cousins quarreled, however, this nomination was withdrawn. Though now upon bad terms personally, William Waldorf and John Jacob frequently have to work together in business. Each owns, for example, half the Waldorf-Astoria, managed as one hotel, and also one-half of the old Astor House. John Jacob also flatters William Waldorf by imitation. The latter can hardly make a move not obediently followed by his cousin. He builds the Waldorf, and demonstrates its success; John Jacob follows with the Astoria. He goes up to Longacre Square and builds the Hotel Astor; John Jacob takes the hint and puts up the Knickerbocker. The William Waldorf office is much more businesslike than John Jacob's. His great estate is managed by a force of seven clerks, while John Jacob, who has only one-third the property, struggles along with twenty.

William Waldorf now spends a certain part of his income in new buildings. He has sensibly recognized that conditions have changed; that the great cost of modern buildings is a reason why they cannot be erected in great numbers on leased land. Old Jacob would stand aghast at the millions now put by William Waldorf and, in fewer instances, by John Jacob, into great hotels, commercial buildings, and apartment houses. In the main, however, all the Astors adhere to the original Astor scheme, and have also succeeded in persuading many investors to put up great office buildings and

stores on their properties. Probably the Astors derive less, proportionately, from their properties than other holders. Not infrequently more wide-awake people profit at their expense. One lively real estate operator had advance information, a few years ago, that Siegel & Cooper were to build a great store on Sixth Avenue, just north of an Astor block. So he went up to the Astor estate and blandly leased the latter property at the prevailing valuation. As soon as the Siegel-Cooper store was up, he easily sublet at a greatly increased rental. The disadvantage of their leasehold system is that leased property, by increasing suddenly in value, may enormously profit the holders. The Astors were badly caught by the great property increase dating from 1899. They had let out hundreds of lots on the old valuations, which have appreciated 50 to 100%. Their tenants, by subletting, have profited greatly. The trick turned against Trinity Church by old John Jacob has been revived to plague his descendants.

However, the Astors will not starve. Their fortune rests upon an absolutely secure basis. There is no accident, except confiscation, which can make them poor. The discovery of some new illuminant might make useless the present source of the Rockefeller wealth. The collapse of the steel industry would endanger the Carnegie fortune. A successful airship might depreciate enormously the riches founded upon railroads. But whatever industrial revolutions there may be, the land itself will be perennially useful. It is one of the necessities of life, like light and air and food. Thus did John Jacob Astor build better than the really great creators of wealth. He took out a first mortgage on Fate itself.