

# Ex Libris

SEYMOUR DURST

*t' Fort nieuw Amsterdam op de Manhatans*



FORT NEW AMSTERDAM



(NEW YORK), 1651.

When you leave, please leave this book  
Because it has been said  
"Ever'thing comes t' him who waits  
Except a loaned book."

AVERY ARCHITECTURAL AND FINE ARTS LIBRARY  
GIFT OF SEYMOUR B. DURST OLD YORK LIBRARY







Lang. J. Kelly

THE  
WIZARD OF WALL STREET

AND HIS WEALTH,

OR

THE LIFE AND DEEDS OF JAY GOULD

BY

TRUMBULL WHITE.

---

JOHN C. YORSTON & CO.,  
PHILADELPHIA, PA.

1893.

COPYRIGHT, 1892,  
By MID-CONTINENT PUBLISHING CO.

## PREFACE.

---

THE history of any man who had been able to distinguish himself by acquiring in his lifetime the greatest amount of wealth ever accumulated by one man, would necessarily be of interest, even if his success had been won by the most ordinary of methods or the most marvelous succession of good fortune. But when that man is one whose career was full of the most dramatic incidents; when he won his wealth by feats of financial daring which astounded the world; when, in short, that man is Jay Gould, "The Wizard of Wall Street," then, indeed, the interest is most absorbing. Jay Gould has been more prominently before the people of the country for the last few years than has any other man whose prominence depended upon the magnitude of his fortune. In his history is much to be learned, both for imitation and avoidance, by every American. This volume contains, not only a complete account of the life and deeds of Jay Gould for the general reader, but also much for the student of financial affairs and Wall street methods. The particular effort of the author has been to secure its absolute accuracy and to make it entirely reliable. The present absorbing interest in the career of the great financier, and the fact that every source of information concerning him is being sought most eagerly, makes the work particularly timely.

TRUMBULL WHITE.

CHICAGO, December 15, 1892.



## CONTENTS.

---

CHAP.	PAGE
I. Jay Gould a Great Man.....	9
II. Youth and Ancestry of Jay Gould.....	18
III. Gould as Surveyor and Historian.....	29
IV. Gould and the Tannery War.....	37
V. Gould's Romantic Marriage and First Railroad..	49
VI. Gould's Assault upon Erie.....	58
VII. Gould's Victory and Final Defeat in Erie.....	73
VIII. The Gold Conspiracy.....	88
IX. Culmination of Conspiracy—Black Friday.....	106
X. Gould and the Western Railway Systems.....	132
XI. Gould and the Telegraph Monopoly.....	151
XII. Gould and the Manhattan Elevated.....	161
XIII. The Life of a Wall Street King.....	170
XIV. The King is Dead.....	181
XV. Jay Gould Laid to Rest.....	193
XVI. Personal Characteristics of Jay Gould.....	214
XVII. The Family of Jay Gould.....	226
XVIII. The Great Fortune and Its Inheritors.....	245
XIX. Jay Gould's Relations with the Public.....	264
XX. A Chapter of Anecdotes.....	280



## ILLUSTRATIONS.

---

	PAGE
PORTRAIT OF JAY GOULD.....	<i>Frontispiece</i>
YOUNG GOULD IN HIS FATHER'S DAIRY .....	18
JAY GOULD AS A SURVEYOR .....	29
CANVASSING FOR HIS BOOK, "THE HISTORY OF DELA- WARE COUNTY".....	32
THE TANNERY WAR IN PENNSYLVANIA.....	37
GOULD'S FIRST GLIMPSE OF HIS FUTURE WIFE.....	49
THE MEN OF "BLACK FRIDAY".....	88
"BLACK FRIDAY" IN WALL STREET.....	106
GOULD BEFORE THE CONGRESSIONAL COMMITTEE.....	132
GOULD FAINTING AT DIRECTORS' MEETING IN RUSSELL SAGE'S OFFICE.....	161
GOULD'S BIRTHPLACE AND PALACE ON THE HUDSON..	170
JAY GOULD'S DEATH-BED .....	181
FUNERAL OF JAY GOULD.....	193
WHERE JAY GOULD RESTS.....	200
A FAMILY GROUP.....	226
PORTRAIT OF GEORGE GOULD.....	245
JAY GOULD'S PRIVATE CAR AND YACHT, "ATALANTA".	264



## CHAPTER I.

### JAY GOULD A GREAT MAN.

I N every walk of human life, in every imaginable human occupation, that man who stands at the very top, who is superior to all others in that particular occupation, is of necessity a great man. No matter how humble that occupation may be, absolute superiority in it, in itself means greatness. The time once was when commercial eminence was considered to belong rather to the lower classes, and was, indeed, despised by those who thought themselves to be of knightlier blood than their fellows. The Crusades, the Renaissance, the discovery of America, and the impetus these gave to voyage and trade and commerce, were potent factors in changing all of this. For the last few centuries, commercial ability, financial capacity, knowledge of how to manipulate men and measures in a way to increase fortune, and so to secure more of what fortune will buy, have been more and more appreciated, until to-day aristocracy and royalty clip coupons, families whose ancestors trace from the Conqueror invest in stocks and draw dividends, and the bluest blooded of all great families engage with avidity in the struggle for business and wealth.

Since royalty and aristocracy thus deign to enter

the lists of business competition, does it not become more true that that man is really great, who excels in money-making capacity every other individual in the world, who wins the prize from all his high competitors, and in his lifetime, by his own acumen and manipulation, creates a greater fortune, adds more to his wealth, than has ever any other person in the world? That is what has been done by Jay Gould, "The Wizard of Wall Street," who has just been taken from the possession of this enormous wealth, and whose death has awakened such universal interest in his life, his history and his personality.

It is hard to realize what an enormous distinction is in the fact of being the richest man in the world. For Gould not only created his fortune, but he made it greater than is possessed by any other individual in the world. It is true that there are families, the Vanderbilts, the Astors, and the Rothschilds, whose aggregated wealth far exceeds the fortune left by Mr. Gould. But no individual of one of those families possesses an amount nearly equal to that represented by the Gould properties. Mr. Gould has been absolutely unrivaled in his position as a money-maker. Though he has met with reverses at times, and was once on the verge of actual bankruptcy, these have been due, in slight degree, to the action of his opponents in the market, but rather to some relaxation of his own energies, or some unforeseen combination of circumstances. The men who have been against him, with few exceptions, have lost while he has won. To be wealthy and to play with

the Gould securities, it has been necessary to follow him, not to oppose.

In downright dramatic interest, in its exhibition of results achieved through the exercise of intellectual qualities which were themselves an achievement, and in the examples which it furnishes of the consistent development of traits which can scarcely be considered as the dower of heredity, and yet were already apparent at the outset, the life story of Jay Gould surpasses by far the histories of the great financiers, speculators and railway managers with whom he was either directly or remotely associated in a career which practically embraced the whole modern phase of financial operation. Like Drew, Vanderbilt and Fisk, he was of humble origin and began at an early age to carve out his fortunes on lines which lay far from those to which his youthful surroundings seemed to direct him. But his first exhibitions of independent and original activity were directed toward the acquiring of an intellectual equipment of an entirely different order from that which his great rivals in Wall street boasted. Nothing is plainer than that he was a born money-maker, but it is easily possible that if early success in this direction had not encouraged him to bend his energies solely to the acquisition of wealth, he might have devoted himself not only successfully, but much to his own satisfaction, to higher pursuits. Though he was an absolutely tireless worker in the field of money-getting, one can scarcely study his operations, whether as a mere speculator or as the creator

and developer of great industrial enterprises, without becoming convinced that the incitement to many of his colossal operations was quite as much a love for intellectual occupation as for money. Human nature is generally set down as a universal possession, and Mr. Gould was yet a young man when the scope of his financial operations was such as to give clear evidence that the material things of this world were abundantly cared for in his possessions. He had, of course, the instincts of a born speculator, yet his was not the disposition to let results depend simply on the accidental fall of the dice, or the turn of a card. He loved hazard, but he loved better to compel chance to enter the channels he had dug for it. It would be folly to deny the vast value of his work in the development of the Western and Southwestern States, but perhaps as great a folly to attribute a philanthropic or patriotic motive to it.

In a history of the life of such a man as Jay Gould, it is well that certain of his personal characteristics and certain of the chief events of his career be summarized before a complete study of his biography and character is made. It is thus possible better to understand both events and personal qualities.

The education which Jay Gould acquired through his own energies as a youth, found its best application in this work of development. In his purely speculative adventures he was aided by a disposition whose traits, as has already been intimated, were formed in his youth or early manhood. It is impossible to contemplate without astonishment and even

admiration, the spectacle of so stable a character as one must admit Mr. Gould's to have been, fixed in boyhood and remaining unchanged all through a career which extended from a condition of the most modest kind (not to call it absolute poverty) to a position from which practically he ruled the financial world of this continent and materially affected the fortunes of the other. With untold wealth at his command, he was as simple in tastes, as unaffected in manner, as abstemious in habits, as industrious, as self-dependent and self-reliant, as when he set out in boyhood to make himself a rich man. Nor did any of his less amiable characteristics undergo a less change. In some of his first business ventures, can be read the same disposition for silent intrigue, the same secretiveness touching his intentions, the same subtlety and elaborateness of plan, and the same indifference to the feelings or comments of others, as marked the tremendous operations which are the climaxes of his purely speculative career—the war over Erie and the gold operations which culminated in that memorable and deplorable day which is written in history as "Black Friday."

There was, perhaps, never a time in Jay Gould's career when it was possible to estimate his wealth with anything approaching correctness. His secretive disposition stood in the way of a general acquaintance with the outcome of his many ventures. Long after he had gained control of the Wabash system of Railways, the Manhattan Elevated and the Western Union Telegraph Company, during a

little flurry in Wall street, in which everybody thought the finger of Jay Gould was hidden, but nobody knew, a broker sagely observed, "Mr. Gould has many properties, but a brass band is not one of them." He never went forth trumpeting his affairs. Moreover, his wealth always consisted of stocks and bonds which were subject to the fluctuations of the market, and which unquestionably derived a considerable proportion of their value from the fact that he controlled the property which they represented. Once, however, he put aside his natural secrecy and made an exhibition of his wealth in order to quiet some annoying reports that were current touching his financial condition. This was in March, 1882, when he spread the contents of his strong box before his astonished visitors.

Mr. Gould's secretiveness was exhibited quite as strikingly in his benefactions as his speculations. He never achieved a reputation as one in the habit of doing good to his fellowmen, and yet few rich men were more charitable than he. Only once did he forego his customary reticence, and then it was in a time of great public calamity. Yellow fever was raging in Memphis, and subscriptions were being raised in all the large cities of the country. Gould did not wait, but telegraphed to the authorities of Memphis to draw on him for all the money they needed. As a rule, like William H. Vanderbilt, he dispensed his benefactions through a trustee. This, during the last few years of his own life, was Thurlow Weed.

"I am Mr. Gould's philanthropical adviser," said this remarkable man on one occasion in 1879; "whenever a really deserving charity is brought to my attention, I explain it to Mr. Gould. He always takes my word as to when and how much to contribute. I have never known him to disregard my advice in such matters. His only condition is that there shall be no public blazonry of his benefactions. He is a constant and liberal giver, but doesn't let his right hand know what his left hand is doing. Oh, there will be a full page to his credit when the record is opened above."

It should also be added to the list of his virtues, that he abstained absolutely from spirituous liquors, including wine, and never used tobacco. He was, however, fond of highly-spiced food, and it is said that indulgence in such viands caused the stomachic disarrangements which forced him to devote himself in 1888 to the pursuit of health. He loved flowers exceedingly, and in his country seat at Irvington-on-the-Hudson built up one of the finest conservatories in the world.

Jay Gould's career was not a colorless one, but was full of episode and variety. He was a genuine American in that he had engaged, before he was out of his teens, in some dozen pursuits, which number he doubled in the next few years. Milking twenty cows in his father's dairy; clerking in a country store; running a hardware shop; learning the tinner's trade; working in a country newspaper office, and writing a history of Delaware county,

were among his earlier employments. And then came his enlistment in a surveying corps and his experience in map drafting, which led up to the leather industry. This chapter in Mr. Gould's career is a sensational one. His enlargement of the tannery business in Pennsylvania, his establishment of a village named for himself, Gouldsbrough, and of a bank of which he was director, were the business portions of the sensation. The suicide of his partner and the war for possession of the tannery, between two bands of roughs fighting one for Gould and one for his partner's estate, were sensations of another kind. Next Mr. Gould went into the railroad business, drifting there by the aid of his father-in-law, who wanted to make the best of a marriage which he had opposed. From that time to this, Mr. Gould has been prominently before the public in financial operations, and his history is the history of Wall street. Opinions of Mr. Gould have been just as varied as his own pursuits. There are those who laud him to the skies for the success he had in creating his enormous fortune, and who think him the sum of all good things. There are many others who think of him as being simply a close-fisted, unscrupulous, selfish business man of undoubted ability, but with no thought except to add to his wealth by whatever means might be necessary at the expense of others. And there is another large class of those who consider Mr. Gould to have been a type of all that is worst in Americans, a man who wrecked fortunes and honor of

others to add to his own, who purchased legislatures at will whenever he had anything to desire from them, and who had absolutely no redeeming traits of character. It will be our effort to show what justification there may be for each opinion. Whatever other merit may be claimed for this modest biography of a rich man, it is certainly to be considered as entirely fair, with no bias for or against its subject, and no inclination to do anything but justice to his memory. No effort has been spared to secure reliable, accurate and exhaustive information on the history and personal characteristics of Jay Gould. Inasmuch as great influence is exerted on every man's life by those business associates most closely connected with him, attention has been given to those other noted financiers whose association with the "wizard" have been the nearest. The ever-present influence of ancestry and immediate family make that subject also an essential one to the true understanding of the man. The history of "Black Friday" and its disastrous consequences are treated in full, also the investigation of the Senatorial Committee and Gould's connection with Missouri Pacific and Western Union. His domestic life, his yacht, his home on the Hudson, his magnificent conservatory, all indications of the spirit and tastes of the man, are also given careful attention.

The early life of such a man must perforce afford an interesting study, and no apology is necessary for a pretty full account of Jay Gould's boyhood, youth and early manhood.

## CHAPTER II.

### YOUTH AND ANCESTRY OF JAY GOULD.

MANY who knew Mr. Gould intimately are in the habit of asserting that his origin must have been Hebraic. No one pretends to say how many generations back the Jewish blood was in the family, or that Mr. Gould was aware of its existence in him. But both his names, Jason, or Jay, and Gould, served to strengthen this belief in those who held it. The twisted form, "Gould," was suspected of being changed from "Gold," which is a common prefix in the names of inanimate and natural objects which certain Jews in Europe were compelled to adopt as surnames in one period of their history. His habits of thought and his extraordinary intellect were both Jewish, these people assert, with how much or how little basis in the actual fact of his origin, no one can ever decide.

Mr. Gould was certainly American in the character and extent of his self-creation and success. Born of poor parents, on a poorer farm, he began to make money to pay his way through school, and he was a partner in business enterprises while yet a lad.

But so far as Mr. Gould himself has been able to decide, he came of Puritan stock than which none is more diametrically removed from the Hebraic.



YOUNG GOULD IN HIS FATHER'S DAIRY.



He was born on May 27, 1836, in the little post-village of Roxbury, Delaware county, New York state. Nearly half a century before, while Delaware, Ulster and Otsego counties were yet one, his grandfather came with half a dozen Puritan families from Fairfield county, Connecticut, and took up land near the land which became Jay Gould's birth-place. This grandfather was Captain Abram Gould. He had been a Revolutionary soldier and was described as a "grim, earnest, honest man." To him was born in 1792, a son who was named John B. Gould, the first male child born in the new settlement. John B. grew to manhood, was three times married, and Jay was his son by his first wife. The boy's mother was a pious woman, a regular attendant of the Methodist services held in the "yaller meetin' house," where Jay also imbibed such religious notions as found a foothold in a nature not much given to the contemplation of spiritual things. The father was a small farmer and kept a dairy of twenty cows.

Until he was fourteen years old Jay lived on the farm, picking up such a meager education as attendance from four to five years at a district school, which was closed during the greater part of the year, afforded. This school was finally closed altogether by the breaking out of the "Anti-rent War," as it was called, an uprising of the farmers against the efforts of persons who claimed to have bought the land from the Indians to collect an annual rental. Jay was dissatisfied with farm life, which indeed offered nothing, under the circumstances, to satisfy

his boyish ambitions. The reasons of his dissatisfaction he once set forth as follows:

"As I was the boy of the family I generally brought the cows in the morning and assisted my sister to milk them and drove them back, and went for them again at night. I went barefooted and I used to get thistles in my feet, and I did not like farming in that way. So I said one day to my father that I would like to go to a select school that was some twelve or fifteen miles from there. He said all right, but that I was too young. I said to him that if he would give me my time, I would try my fortune. He said all right, that I was not worth much at home and I might go ahead. So next day I started off. I showed myself up at this school, and finally I found a blacksmith who consented to board me, as I wrote a pretty good hand, if I could write up his books at night. In that way I worked myself through this school."

During these years of the embryo financier, he was a pale, slender, delicate little fellow, studiously inclined and disliking the customary sports as much as the toil of the people around him. It is remembered of him that he was different from the other boys with whom he associated in school. He was not what is generally termed a manly boy. He kept out of the rough good-natured games. He preferred to remain indoors, and at noontime cuddled up in some remote corner of the school-house, busy about nobody knew what. When approached by the others with invitations to come and join them, he

would refuse. If in banter the boys attempted to force him to join them, he would make a great outcry, and breaking away from them, would sit and mope until the school was called to order. Then he would go to the master's chair and enter a tearful complaint against his enemies. The master would thrash the other fellows, and little Gould would be tickled.

It was because his father became unpopular in the village by opposing the anti-rent movement at that time, that young Gould was obliged to leave the school nearest his home. He waited until he was fourteen years old. Then, after pondering over his prospects, he formed a resolution, and at once put it into practice by asking his father's permission to leave home, saying that he was confident in his ability to take care of himself. His father was inclined to be amused at the boy's request, which was made with much earnestness, and thinking that it was a mere passing whim, returned a careless affirmative. The family were astounded, however, the next morning, when little Jay entered the breakfast room equipped for his journey out into the world. He ate his breakfast quietly and, arising from the table, held out his hand to his father with a hearty "good-bye, father." His father was amazed at his determination, and his stepmother and sisters entreated him tearfully to remain at home. Unshaken in purpose, however, the future "Wizard of Wall Street" hastily caught up his little bundle and left his parent's house. His bundle contained a

spare suit of clothes, and he had fifty cents in his pocket.

Young Jay trudged hopefully through the mountainous road between Roxbury and Hobart, where there was an academy that he had long desired to enter. He went directly to the principal of the academy and told him of his anxiety to obtain an education and his desire to get employment that he might earn money to pay the tuition fees. The principal became interested in the boy and secured for him the position of bookkeeper in a store kept by the village blacksmith. This school was kept by Mr. Oliver, and Jay's course there was completed in 1851. During this year, however, he must have made considerable progress in mathematics, in spite of the fact that it used to be related of him in the neighborhood that he grew tired once of going to school, and was locked up one morning in the cellar by his father as a measure of correction, and forgotten until his non-return in the evening caused comment. The taste for mathematics it was that opened up to him the first steadily lucrative employment in which he became engaged, and also led him, by easy steps, into the career which destiny seemed to have marked out for him.

On leaving school he got a place as a clerk in a tin shop in Hobart, and at fifteen years of age was a partner in and manager of the business. Not only that, but this amazing boy was up at daybreak every day to pursue the study of surveying and such engineering as he found books and instruments to help

him to. Moreover, when the elder Gould sold his farm, young Jay took him into the tin shop on a salary.

Innumerable anecdotes are related of Jay's early life. All the world has heard the mouse-trap story. It was in 1853, when the World's Exhibition was held in New York, that young Gould, then about seventeen years of age, is said to have made his first visit to the metropolis in which he was to become such a power. He carried with him a showy mahogany case, containing an invention which the boy hoped would bring him fame and fortune. The invention was a mouse-trap. He entered a horse-car and, leaving his valuable model on the seat, stepped outside and stood on the platform, where he could view the glories of the great city. The box was picked up by a thief, but not without the observation of young Gould, who pursued the rascal and captured him. This exploit was related next day in the *Herald*, this being the first newspaper reference to Gould, whose renown has since filled columns of the daily press for years. The mouse-trap was a success, but its inventor has been far more successful with his future traps, which he laid for speculative mice, and with which he caught them all his life.

That Gould's great fortune was not the result of a streak of luck, but of strict attention to business and hard work, is clearly proved in all the events of his life. His plans were the result of careful thought and they were carried out by hard work. The man in whose family young Gould worked for

his board when going to school thus speaks of his conduct at that early date:

"He was an excellent boy. His habits were good and he devoted most of his evenings to study. He was always the first one up in the morning, and he had the fire burning and the tea-kettle boiling by the time my wife was ready to prepare breakfast."

It was while working in the tin store, shortly after this, that Gould took part in a transaction in which one cannot fail to recognize one of the distinctive traits of his future business career. If the king of Wall street never went hunting for snipes with a brass band, neither did the country lad. The merchant for whom he was working also did a real-estate business. His employer was negotiating for the purchase of some property belonging to an estate in chancery, and Jay carried on the correspondence for him. By virtue of his position he thus learned the particulars of a bargain which his employer desired to make on the piece of land. The executor demanded twenty-five hundred dollars, but the would-be purchaser offered only two thousand dollars. Jay undertook a little investigation on private account, and became convinced that the property was bound to appreciate in value. While the negotiations were in progress, Jay borrowed twenty-five hundred dollars of his father, and outbidding his employer, quietly scooped in the property. He had the deed made out in his father's name, and within two weeks sold out for four thousand dollars. It is said that

his employer looked at the transaction in the light of a breach of confidence. The result was that it caused a separation between the merchant and his clerk, and broke up a little romance which is said to have existed between the young speculator and a young female member of his employer's family.

This was practically the end of his life and associations with the little villages, Roxbury and Hobart, though his map work and surveying, in the following years, were largely done in the surrounding counties. As a matter of fact, he had exhausted the possibilities for him in those country villages. He had squeezed what knowledge and profits were to be obtained there, and was ready to seek new worlds to conquer. While the little towns furnished him no inducements for permanent residence, and but little of the start toward his colossal fortune, nevertheless, the influences that the towns and their people exerted on his early life must be credited with much of the better business qualities, of perseverance and method that gave much of his success in later years.

Gould's mother died in 1841, when he was but five years old. His father died in 1866, and some years ago their distinguished son erected over their graves a handsome monument in the village cemetery. The elder Gould had a farm of about one hundred and fifty acres, and was esteemed by his neighbors as a worthy citizen. The house in which Jay was born and spent his boyhood is described as a "two-story, box-like frame building covered with a

coating of white paint." In July, 1880, Jay Gould visited his birth-place and also Hobart, where he went to school. He used to walk the entire distance to school every Monday morning, returning Saturdays. He was enthusiastically received by the inhabitants at the time of his visit, as the most noted man ever born in that region. When he visited the old house, it is to be wondered if he recalled the first instance in which he ever showed a combative spirit of bravery. It was during the Anti-rent War, when a party of anti-renters visited his father's house to compel him to cease paying rent, John B. Gould and a neighbor, Hiram Moore, belonging to the conservative farmers, known as "high-renters." The "rebels" were masked and in bad temper, but John B. Gould stood out stoutly for his rights, while ten-year-old Jay, who stood in the doorway at his side, urged his father to shoot his assailants down. John B., like the son in manhood, was small of stature, and had the additional misfortune of having one leg shorter than the other, but he probably inherited some of the rugged qualities of grim Captain Abram, and these were likely to be accentuated by the struggle for existence in the rough sterile country of their habitation. The vigilance committee, at any rate, left the little man unharmed, though they promptly proceeded to tar and feather his neighbor, Hiram Moore.

These anti-rent troubles were caused by the refusal of the occupants of certain large tracts of land in Delaware and adjacent counties, to pay an annual rental to persons who claimed to have purchased

the land from the Indians. Such rentals had been paid with a fair degree of regularity up to 1844, when the farmers rebelled, declaring that the exactions were oppressive and unlawful. In some cases the rent exacted had consisted of so many bushels of wheat, a certain number of fowls or a few days' labor per year. In other cases cash payments were demanded.

Secret organizations were formed in Delaware county, and some of the aggressive movements were particularly directed toward John B. Gould, who declined to join the anti-rent party. The officers of the law were resisted in their attempts to levy on or sell property for non-payment of rent. The anti-rent men claimed that the land really belonged to the Indians, and they armed themselves and went about the country disguised as Indians. They carried tomahawks and applied tar and feathers to several men whom they accused of persecuting them. Mr. Gould had in his possession for many years one of the tomahawks that was brandished by the Roxbury "Indians," and he could readily recall the events that preceded and followed the battle of Shacksville, in which a body of armed anti-renters, in resisting a sheriff's posse, killed several men. Gov. Silas Wright was then obliged to declare several counties in a state of insurrection and many arrests were made. The state authorities overcame armed resistance, but the anti-rent men carried their grievance into politics and succeeded in electing John Young for Governor over Silas Wright.

Mr. Gould used to tell his intimate friends that whatever nerve he possessed he inherited from his father.

While working at the tin shop, young Gould retained all his fondness for mathematics, and mastered several of the best authorities on surveying, trigonometry and engineering, besides reading a course of history. He rose at four in the morning, and devoted the time he could call his own to reading and study. Having made a particularly nice tin whistle, he invited the boys of the town to join him in amateur surveying expeditions, and with a borrowed compass and other necessary instruments, the boys acting as flagmen and chain-bearers, he soon became an expert surveyor. In the tin business he made himself so useful that at the age of fifteen he was a full partner in the concern, and when he visited Albany and New York to purchase material, he succeeded in opening accounts with Phelps, Dodge & Co. and other firms well-known to the public.

It was at this point in young Gould's career that the unvarying routine of life in a tin shop became too monotonous, and he abandoned it for a pursuit that would at least enable him to see something of the surrounding country, and possibly be more profitable. He decided to make use of the knowledge that he had gained and become a surveyor.





JAY GOULD AS A SURVEYOR.

### CHAPTER III.

#### GOULD AS SURVEYOR AND HISTORIAN.

THE tin shop was profitable but slow, and with an outcropping of the avidity which he afterward showed, he sought for something more lucrative. In 1852 he transferred his interest to his father and arranged to take charge of a surveying party at twenty dollars a month. Gould had heard of a man in Ulster county who was looking for an assistant. He was making a map of that county and Gould wrote to him. When he left home to take the position, his father offered him money, but he left all his capital in the store, burned his ships behind him, and took only money enough to pay his fare to the place where the new position was to begin. His new employer started him out to make the surveys, to see where the roads were and to locate the residences. He also instructed young Gould to get trusted for his living expenses along the way, and that he would pay them following after him. Two or three days later, Gould ran against the first objection to this arrangement from one of his entertainers, who knew that the employer had already failed three times. He agreed to trust young Gould but would not trust the employer. The boy wandered on after this rebuff until three o'clock,

before making an effort to get his dinner. His wretchedness and its relief are interestingly told in a letter that Mr. Gould wrote to a friend some years later.

“I was out of money—that is to say, every cent I had at my command was a ten-cent piece, with which I had determined not to part. Fall was approaching, and, unless our surveys were completed before winter set in, the final completion of our enterprise would be necessarily delayed until another season, subjecting us to additional expense, which I feared would prove hazardous to the enterprise. I was among entire strangers and consequently without credit. I could not spare time to go to Delaware county after funds, and I had not money to reach there. If tears had been coin my empty coffers would soon have been amply replenished. In this emergency a welcome expedient accidentally presented itself. I was prosecuting my surveys at this time in the town of Shawangunk, and, while the tears were even trickling down my cheek, a farmer came running after me and asked me if I would not return with him to dinner and make a ‘noon mark,’ which is a north and south line, to indicate, by the shadow caused by the rays falling against an upright object and striking the line, the hour of midday. I accepted the invitation with pleasure, as a couple of crackers was all I had eaten since the preceding night, and I had been working since daylight and was consequently hungry and faint. After dinner I made the noon

mark, and, turning to leave, the farmer asked me my bill. I replied that he 'was welcome.' He insisted, however, on paying me a half dollar, which he assured me a neighbor had paid for one, which I accepted, and started on my way, and had I that moment discovered a continent it would have afforded me less joy. I saw that I could turn this discovery to practical account, and I felt already half rich, and I prosecuted my labors with a lighter step than for many a day. The fame of my noon marks preceded me, and the applications from the farmers were numerous. By this means I paid all the expenses of the surveys and came out at the completion with six dollars in my pocket."

In the early part of this embarrassment he had no overcoat and sometimes traveled forty miles a day on foot. His employer failed completely and Gould continued the business for himself. Jay proposed to the two other young surveyors, who had also been engaged on the work, to complete it on their own account. The other two young fellows had money, and when the map was ready for the engraver, Jay, finding his colleagues anxious to put their names on it, sold his interest to them for \$500. With that capital he undertook similar surveys of Albany and Delaware counties, and was successful in turning out satisfactory maps of those regions. He sold enough maps to bring his capital up to \$5,000. The accuracy of his survey of Ulster county in the meantime, had attracted the attention of John Delafield, in Albany, who applied to the Legislature

for aid in the completion of a topographical survey of the entire state by Mr. Gould. Mr. Delafield died before any material progress was made in this work. His application to the Legislature was not successful. Some particulars of interest in regard to the map-making business are related by Oliver J. Tillson, one of his partners in the map-making enterprise, after the failure of the man who had first employed him in the business. Mr. Tillson confirms Mr. Gould's account and tells of the bargain in which the latter sold out to his partners. Here is a copy of a receipt given by Gould on that occasion:

DECEMBER 27, 1852.

Received of Oliver J. Tillson and Peter H. Brink ninety dollars and wheel in full of all debts and demands and dues against them and the Ulster county map.

JASON GOULD,  
for JOHN B. GOULD.

It will be observed that he signed his name "Jason," not Jay. He was christened "Jason," but about this time began to change it to Jay, by which he was ever after known. "There wasn't any foolishness in Jason's books," says Mr. Tillson, referring to the books in which Gould had made his notes of the surveys. "He was all business in those days, as he is now. Why, even at meal times he was always talking map. He was a worker, and my father used to say: 'Look at Gould; isn't he a driver?'"

This, in fact, is the testimony of all his contemporaries. From his earlier years he was absorbed in schemes for making money, and his whole aim in



CANVASSING FOR HIS BOOK "HISTORY OF DELAWARE COUNTY."



life was to "get on." With every passing year his ambition broadened, until it enveloped a continent.

It is a striking coincidence that young Gould and his two partners in the map business were sued by the man who first employed the former in the project, and they placed their case in the hands of Lawyer T. R. Westbrook, who succeeded in having the suit dismissed. Westbrook afterward became (and this is the coincidence) the supreme court judge, who years after scandalized the legal profession by holding court in Jay Gould's private office and issuing an order in one of the Manhattan railway litigations.

He and his cousin, with whom he entered into partnership at Albany, increased the map business to the extent of sending surveyors into various portions of Ohio, Pennsylvania and Michigan, but afterward the contracts were transferred to a surveyor in Philadelphia.

From this time he was continuously employed as a surveyor, until a severe attack of typhoid fever compelled him to give up outdoor exposure. He had determined to make a complete survey of the entire state of New York, and he did complete maps of Albany county, the village of Cohoes, the Albany and Niscayuna Plank road and Delaware county. He also surveyed Lake and Geauga counties in Ohio, Oakland county in Michigan, and a proposed railroad from Newburg to Syracuse. Then he was seriously ill for several months, but his money was not used up, and he wrote with some

degree of interest and also profit a history of Delaware county and partial histories of Greene, Ulster and Sullivan counties.

Gould had gathered his ideas of casual writing from a brief experience in a country newspaper office, where he had worked gratuitously. The history of Delaware county was four hundred pages long, and is said to have been an exceedingly creditable performance, both as an example of diligence and care in the collection of facts and skill and taste in the literary presentation of them. It never came into general circulation, however, probably because the printer, who lived in Philadelphia, insisted, in spite of "copy" and proof corrections, in spelling the name of the author "Gold." When the books arrived in Roxbury and the young historian discovered the blunder he shipped them all back to the manufacturer and would have nothing more to do with them.

Gould's taste of money and profits had acted upon him almost as does the taste of blood to a lion. By this time he was making enough money to furnish himself a realization of what money could do and to make him want it with an insatiable desire. His child life had been a short one, and he was a man in business and responsibility at an age when most persons of no greater age are considered to be but the merest children. And what there was of his child life had been cold, and not of a character to teach him, what few yet know, that money is the least important thing in the world. All his life,

he had felt the lack of it. He had been needy. He had been compelled to struggle to supply his physical necessities, and then at times they were but scantily supplied. One favorite sister, his elder one, who was his first teacher of mathematics, was almost the only person whose recollection at home was any delight to the boy and young man. So, now that his well-applied and earnest labors have brought fruit to the extent of several thousand dollars of cash capital available to him, it is not strange that he sought for some enterprise in which the profits would be certain and large. This opportunity opened before him and he grasped it.

It is very doubtful if, at that period in his career, young Gould had ever read the works of Shakespeare, but be that as it may, he followed that great bard in the opportunity which was now his. Shakespeare says:

“There is a tide in the affairs of man  
“Which, taken at the flood leads on to fortune.  
“Omitted, all the voyage of our life  
“Is bound in shallows and in miseries.  
“On such a full sea are we now afloat,  
“And we must take the current when it serves,  
“Or lose our ventures.”

Gould's tide was in; it was turning, and the chance of his life was waiting to be taken. It was this same faculty of being able to recognize what was the right thing to do, that all his life stood him in good play. He recognized it now, and changed the whole current of his life.

The lessons to be learned from this early period of the life of the one who was in future time to be the "Wizard of Wall Street," are not in anything obscure. Unceasing vigilance and unflagging energy were the qualities that were most prominently developed in him from his very youth. These qualities properly directed and controlled, are in this age bound to win success for any young man. Gould never lost an opportunity to make more money by increased efforts. He was not afraid to assume any amount of extra work if he saw in it a just amount of remuneration. From the time when he left his father's house and started out into the world to take care of himself and make his own living, there was never a man with whom he came in contact who did not consider the young fellow a valuable person to have attached to his business. Gould always made it a point to prove himself valuable. He made his employer's interests his own, and was always ready for whatever appeared necessary to be done. In all of this, his example is most worthy of emulation. And while it is not to be expected that the same efforts will bring to every one equal results, one may rest assured that they will amply repay for their adoption.





THE TANNERY WAR IN PENNSYLVANIA.

## CHAPTER IV.

### GOULD AND THE TANNERY WAR.

FROM the mildly humdrum life of school boy, tinker, surveyor and bookseller, Gould's career now changes to an intensely dramatic period. While pursuing his avocation as a surveyor, he made the acquaintance of Zadock Pratt, a local celebrity who lived at Prattsville not far from Roxbury, for whom he had done some surveying. Pratt is described as an ignorant man who had amassed what at that time and in that section was considered an immense fortune. He was worth a hundred thousand dollars, and had the largest tannery in the country. He had also been to Congress, and, as is usual with such district nabobs, he was a very vain man. How he happened to become attached to Jay Gould does not appear. Mr. Gould himself once said: "While I was carrying on these surveys, I met a gentleman who seemed to take a fancy to me." Zadock Pratt was a famous man in his days. He was not only the biggest tanner in the country, but he was also a power in the politics in the state. During his ten years' service in Congress, at least one of his speeches attracted widespread attention. He was one of the earliest advocates of cheap postage, and he moved the establishment of the Bureau of Sta-

tistics, which has since developed into the Department of the Interior. He also moved the first survey of the Pacific railroad line. When he ceased his Prattsville tannery in 1845 he estimated that in twenty years he had used one hundred and fifty thousand cords of bark and wood, had employed thirty thousand men, had cleared twelve thousand acres of land and tanned over one million sides of sole leather. He was, however, nearly seventy years old when he interested himself in Gould. The latter was fortunate in obtaining the confidence of this man. The history of his association with Pratt, and later with Leupp, is not contained in legislative and law reports, as are other portions of Gould's career, but there are several very circumstantial accounts extant based on the testimony of eye-witnesses, some of whom may still be living.

One story has it that the young historian had artfully flattered Pratt in his "History of Delaware County," and so won his good opinion. However this may be, certain it is that Pratt asked the young man who had surveyed his place in Prattsville to embark with him in the business of tanning leather. Gould agreed and immediately demonstrated his capacity for managing the new venture by going over the Delaware and Lackawanna railway, then recently completed, into Pennsylvania, on a search for a site of the proposed new tannery. He found a large tract of land growing hemlock in Lackawanna county and reported the fact to Mr. Pratt. Soon after he started for the hemlock woods again,

and this time he made contracts of purchase with their owners. In his next expedition into Pennsylvania he took fifty or sixty men with him to build the tannery. The site chosen was in the midst of the forest, fifteen miles away from the nearest village. The men took with them a portable sawmill. Gould went in and chopped down the first tree which was sawed up, and transferred it into a blacksmith shop, under the roof of which Jay Gould passed the first night, sleeping on a bed of hemlock boughs. Thus the tannery, "a very large one, the largest in the country at that time," to use Mr. Gould's own words, was built. Near it there soon sprung up a village which was called Gouldsboro, and in this village Gould established a bank of which he elected himself director by means of proxies obtained from relations whom he had persuaded to take stock.

Pratt was taken with young Gould's snap and energy and considered him just the kind of material to use in pushing a new enterprise. Pratt furnished all the capital and Gould conducted the active operation. The capital of the firm was \$120,000, and the tannery at Gouldsboro, Pennsylvania, became the biggest concern of its kind in the country. Gould threw the whole energy of his being into the enterprise. Pratt made occasional visits to Gouldsboro, but the business was left practically in Gould's hands and it grew rapidly. After a while Mr. Pratt became dissatisfied with the condition of affairs. Apparently a rushing business was being done from

which there was no adequate return. After a while, Mr. Pratt having invested \$55,000, sent an agent to Gouldsboro to investigate affairs.

The books seemed to be so mixed that it was quite impossible to ascertain just how the firm stood. Gould soon saw that his partner was becoming suspicious and determined to be ready for him. On the growth of the business Gould had, of course, occasion to frequently visit New York, where he became acquainted with most of the merchants in the "Swamp," then, as now, the center of the leather trade. Among others, he became acquainted with Charles M. Leupp, a merchant of the old school, honorable and correct in all his dealings. He was a man of great refinement and of poetic temperament, and possessed many literary and artistic tastes. He was a man of wealth and owned a fine mansion on the corner of Madison avenue and Twenty-fifth street. This mansion is still standing, but has been altered into an apartment house. In Mr. Leupp's time it was probably the handsomest and best constructed private dwelling in the city and cost about \$150,000.

It was an evil day for Mr. Leupp when Gould came to him and proposed that he advance the money to purchase Mr. Pratt's interest in the tannery. That was the beginning of Mr. Leupp's troubles, but at that time he considered the proposition an advantageous one and he consented to advance the cash. Gould never seems to have had at any period in his career any difficulty in

interesting the wealthiest and most powerful men in his schemes. He has himself said that it is just as easy to obtain the acquaintance and secure the friendship of the most powerful as of the most insignificant if only one will set about it in the right way. Well, Gould returned to Gouldsboro with Leupp's backing. He found Pratt looking over the books and puzzled by their intricacies. He discovered that Gould had started a private bank at Stroudsburg in his own name, and he became suspicious that the firm's funds were used in the bank. Pratt then demanded an explanation and finally threatened to close up the tannery and dissolve the partnership. Gould protested that this would ruin him, when Pratt said that he must buy or sell. This was what Gould was waiting for, and he told Mr. Pratt to make him an offer. Pratt gave his energetic young partner the choice of two alternatives, either to take \$10,000 for his interest in the business and retire from the firm, or pay \$40,000 for the interest of the senior partner. Gould got ten days' time in which to make up his mind, and at the expiration of that period surprised Mr. Pratt by buying him out on his own terms.

Of course he drew on Leupp for the money. This made Gould a partner of Leupp with full powers. He continued with Leupp the policy he had begun with Pratt. He branched out in many speculations in Leupp's name, but without his knowledge. It is said that he bought another tannery, attempted to get up a "corner" in hides, and in

other ways entered into many hazardous enterprises. He continued to draw on Leupp for money and to display his incapacity as a book-keeper until Leupp became suspicious, just as Pratt had. Meanwhile the panic of 1857 had swept over the country and unsettled all business operations, and when Leupp discovered the extent in which he had been involved in Gould's speculations he thought that he was ruined. He went to his magnificent home one night and, in a fit of despondency, shot himself dead. It is not certain but that Gould's schemes would have turned out all right, and to Leupp's, as well as to Gould's advantage, but it is a fact that Leupp's partners and heirs have always felt very bitter against Gould, and could not help believing that he was indirectly the cause of Leupp's sad and untimely end.

Mr. Leupp's old-fashioned notions had been terribly shocked, for Gould had gone into corners in hides and other tanneries which might and might not have turned out well. When he found that his partner had bought not only all the hides then in the market but all that were to arrive in the ensuing six months, he literally lost his reason, and his suicide occurred after a stormy interview with Gould, who remained imperturbably cool and simply turned on his heel and left the office.

It is related that in the excitement and passion of Black Friday when a mob surged through Wall street, a voice was heard above the tumult shouting the awful question:

“Who killed Leupp?”

And the answer is said to have come from a hundred throats:

“Jay Gould!”

Prior to the fatal shot, Gould had arranged with Congressman Alley, of Massachusetts, to take the works and thus relieve Luepp and Lee, who was also a partner. But the suicide of the senior partner stopped the final consummation of this plan, and, Gould always insisted, stopped the way to a profitable continuance of the works.

Mr. Gould then negotiated with Leupp's daughters for the control of the tannery. It is stated that they demanded sixty thousand dollars, the amount Leupp had originally advanced. Gould agreed to this, but proposed a plan by which the payments should extend over a term of years—ten thousand dollars cash and a like amount every year until the entire indebtedness had been liquidated. When the papers were drawn up it was found Gould had made no provision for paying interest. Negotiations were broken off, and Mr. Lee, a relative and partner of Leupp, hastened to Gouldsboro and took possession of the tannery in the name of Leupp's heirs, taking the precaution to hire a lot of men to help him barricade and guard it. Gould arrived a day or two later and determined to capture the tannery at all hazards. Gouldsboro was a village of about three hundred inhabitants, situated some distance from the railway station, and besides the tannery the most important building was the hotel. Mr.

Lee, who, like Mr. Leupp, is described as an honorable, warm-hearted man, but with more courage and grit, had the tannery guarded by about thirty or forty men whom he had hired at Scranton.

Gould, as soon as he arrived, began active operations. He interested nearly the entire population of the place in his behalf. They knew him and Lee was a comparative stranger. Gould told every one he met that he owned the tannery, that Lee and his cutthroats were endeavoring to get the property away from him, and that if they succeeded the business would go to wreck and ruin and the place would suffer a big loss. He had soon an armed gang of about 150 men around him prepared to fight for him. They were a tough looking set of men. He took them to the hotel, where he gave them an oyster supper, and then mounting an empty box addressed his forces, telling them to use no unnecessary violence, but to "be sure and get the tannery." This was probably the first and only speech Gould ever made in all his life. Filled with oysters and whisky, the men made a determined charge on the tannery, Gould directing everything, but prudently keeping in the background, for he heard that Lee had a loaded musket ready for him. The battle was fierce but short. The barricaded doors were battered in and Lee's men were driven from the tannery. Two men were badly wounded. One of Lee's party was shot through the breast. Warrants were issued for the arrest of all concerned. Many of the men fled from the place never to return.

Those arrested were afterward released on bail. Gould was left in possession of the property, but it did him little good. Lee began legal proceedings against him and Gould brought counter-suits, and this litigation was continued until the business as destroyed and the tannery abandoned.

In the New York *Herald* of March 16, 1860, is given the following account of the battle:

TANNERY INSURRECTION IN PENNSYLVANIA.

BATTLE BETWEEN THE FORCES OF THE SWAMP LEATHER DEALERS—THE LEUPP AND LEE TANNERY, IN GOULDSBORO, ATTACKED AND DEFENDED—SIDES OF LEATHER USED FOR BREASTWORKS—INSURGENTS TWO HUNDRED STRONG—THE TANNERY TAKEN—FLIGHT OF THE DEFENDERS—WOUNDED FOUR.

About half-past ten o'clock on Tuesday morning the lock was wrenched from the stable, the men having been concentrated into the tannery and the stable being unguarded. A little past twelve the tannery itself was attacked by a mob variously estimated at from one hundred and eighty to two hundred and fifty men, armed with axes, muskets, rifles and other weapons. Without a demand of possession or summons to surrender, the doors were beaten in, and but a few blows had been struck by the assailants before they began to fire ball and buckshot through the building, raking it in

every direction. As vigorous a defense was made, by a force of fifteen men in the story attacked, with tannery sticks, stones and four revolvers, as was possible against such overwhelming odds. The tannery was finally carried on all sides, and those who did not escape were violently flung from the windows and doors, while the assailants rushed through the buildings, yelling like Indians, pursuing the fugitives with their guns in every direction. In the action many contusions were received and four gunshot wounds, and had it not been for the large number of sides of leather hung up the lofts, very few of the defending party would have escaped without wounds.

Mr. Jay Gould, in his version of the affair, in which he endeavors to exculpate himself, says:

"I quietly selected fifty men, commanding the reserve to keep aloof. I divided them into two companies, one of which I despatched to the upper end of the building, directing them to take off the boards, while I headed the other to open a large front door. I burst open the door and sprang in. I was immediately saluted with a shower of balls, forcing my men to retire, and I brought them up a second and third time and pressed them into the building, and by this time the company at the upper end of the tannery had succeeded in effecting an entrance and the firing now became general on all sides and the bullets were whistling in every direction. After a hard contested struggle on both sides we became the victors, and our opponents went flying from the

tannery, some of them making fearful leaps from the second story."

After this depreciation of value in the tannery property, Gould's ready resources were so exhausted that it is related that he had to borrow the money to pay his railroad fare to New York. It is probable that no man in this or any other country has ever been a party to so many lawsuits as Gould. From the time of the contest over the map business there was scarcely a day during his whole life that he did not have some litigation on his hands. This ends the early chapters of Gould's life. He now entered upon that career in the metropolis which has made his name familiar around the globe.

It is doubtful if many young men, before the age of twenty-four years, have passed through as many and as varied experiences as these of Jay Gould. All his training now for several years had been in the line, first, of competition with others in the same business as his own, and then in direct conflict and war with those who had been his associates. He had learned not only to conquer his enemies, but to conquer his friends. He had thoroughly developed and made apparent to every one who came in contact with him that spirit that remained with him through all his life, the mania for the aggrandizement of his own fortune, no matter whose money must be lost for him to gain it. The last chapter of his tannery experiences was a dark one, and there is nothing in it to be held up for admiration by any one, but rather as an example of the first notable evil in the

nature of financial wrecking of the many that are found in a complete retrospect of his life. Gould himself always realized the discreditability of his actions in the tannery matter, as is evidenced by the way in which he tried to smooth it over before the investigating committee ten years later. As a matter of fact, he probably realized and recognized whatever else he did that was evil in his far greater financial operations during the next three decades, but if he did, he gave no sign nor did he ever indicate that he had any regrets in his career.





GOULD'S FIRST GLIMPSE OF HIS FUTURE WIFE.

## CHAPTER V.

### GOULD'S ROMANTIC MARRIAGE AND HIS FIRST RAILROAD.

WHEN Jay Gould reached New York in 1860, after the tannery war, he was almost impoverished. He settled down at the Everett House, a comfortable hotel, and there he lived for a little time while waiting for something to turn up. Gould was not very busy just then and used to wander around the city, up town and down town, through Wall street and Lower Broadway, where in later years he became such a power; maybe, even then, wondering if he would ever reach the point in wealth and influence that belonged to the men he met, and figuring, as every one does at times, what he would do if he were a millionaire. He knew the tannery business thoroughly and had many influential acquaintances in "The Swamp," which was the seat then, as it is now, of the leather trade in New York. But he most wanted to get into the railroad business. He believed that greater opportunities were there than in any other occupation for the acquiring of wealth and influence. So he bent all his energies in that direction.

One day just before the war, Gould came walking down the street toward his hotel, and looking

up toward the window of the parlor, he saw seated there, looking toward him, a most charming young lady. He was not by any means inclined toward flirtation, but he could not avoid an appearance of interest in her, and he passed on into the hotel. Soon after that the same episode was repeated. By a little investigation, Mr. Gould learned that the young lady was Miss Ellen Miller, whose father, a wealthy New York merchant, was a member of the grocery house of Philip Dater & Co. She lived in a house across the street, and a delightful flirtation with the girl whose pretty face appeared at the window preceded any formal acquaintance. Circumstances, however, permitted them to meet socially, and they became excellently well acquainted. After a few weeks, the acquaintance became more and more intimate and finally ripened into love. Miss Miller's father indicated opposition to their marriage, their desire for which they made evident, and they were compelled to seek some roundabout way to accomplish their purpose. The result was, that after trying several ways to circumvent the unsympathetic parent, they decided upon a secret marriage, and this was actually accomplished. There were no runaway features about the match, except that to avoid the opposition that they were certain would come, they simply walked to a minister's, a short distance from their home, and were married without letting any one know of it. When they returned, Mr. Miller indicated no ill-will at their action, and went to work to make the best of it all. He did

this by giving the famous financier his first introduction into the railroad business. Mr. Miller owned some shares in the Rutland and Washington railroad. He asked his son-in-law to look the property over and see if anything could be done to save the investment. The road was sixty-two miles long, running from Troy, New York, to Rutland, Vermont. The panic of 1857 had left this road in a demoralized condition, and Gould found that he could buy a majority of the first mortgage bonds at ten cents on the dollar. He had now found the true field for his peculiar talent. He made himself president, treasurer and general superintendent of the road, studied the business of railroading on the ground, developed the local traffic, and finally effected the Rensselaer and Saratoga Consolidation. By this time, both bonds and stocks were good and he sold the latter for one hundred and twenty dollars.

There has been no time when it was possible to estimate the wealth of Mr. Gould, and as he was secretive in those early days as in his later, there was no saying what he was worth when in 1860 he came into Wall street. One statement has it that when the firm of Smith, Gould & Martin was organized, Mr. Gould's possessions amounted to thirty thousand dollars in cash. Another is that when he sold out his holdings in the Rensselaer and Saratoga Consolidation, he was worth seven hundred and fifty thousand dollars.

With a mind peculiarly alert to all the influences which affected the values of railway securities, with

habits of great industry, with phenomenal tenacity of purpose, with a fair amount at least of capital to back him, it is not surprising that Mr. Gould profited largely by his speculation in railway stocks and gold during the war of the rebellion. The keensighted, intelligent men in "the Street" at that time nearly all made money, and Mr. Gould was at least a millionaire when the Confederacy fell. What his methods were at the time it is useless to speculate about. It was before the day when by absolute mastery of gigantic railway and telegraph systems he could at his will depress the value of almost any institution on which he fixed his eye by setting on foot a ruinous war in rates until he had made it to be his own interest to restore a more normal and healthful condition of affairs by ceasing his antagonism and building up the property which he had acquired cheaply during the period of depression. But the details of his operations were always so subtle as to be shut out from the discovery of either friend or foe.

Gould was now fairly on the way toward his colossal fortune. Though friends warned him against entering into the whirlpool of blasted hopes and ruined fortunes of Wall street, his inclinations in that direction were too strong to be resisted. Gould was a born speculator. It is true that his great fortune was created mainly in hazardous enterprises outside of Wall street, and that in stock speculations, pure and simple, he was not always so successful or so infallible as many have supposed, but by

nature and habit Gould was at this time of his life a commercial gambler, and it was as natural that he should enter Wall street as for a duck to take to water. It was in 1859 or 1860 that Gould first entered Wall street. It was not very long before he stepped to the front rank. What a long list of brainy and courageous men do Gould's contemporaries in the street make! With most of them Gould has been at sword's point, with a few he has been an ally, with some he has been both ally and enemy. Most of them are no longer powers in the speculative world. Some of them are dead. Not a few have been overwhelmed in the swift, resistless torrent of stock speculation. Three or four yet remain with power in their hands and millions in their vaults. The Vanderbilts—the commodore, his son and grandsons—Daniel Drew, James Fisk, Jr., the Beldens, Commodore Garrison, Henry N. Smith, James R. Keene, William Heath, George I. Seney, Gen. Thomas, Calvin S. Brice, D. O. Mills, Horace F. Clark, Alfred Sully, Addison Cammack, C. F. Woerishoffer, the Rockefellers, S. M. Kneeland, C. J. Osborn, D. P. Morgan, H. S. Ives, C. P. Huntington, Russell Sage, Cyrus W. Field, John W. Garrett, Robert Garrett, J. P. Morgan, the Seligmans, Brown Bros., Jay Cooke, Hugh J. Jewett, Lathrop, Little and Austin Corbin, Henry Clews, Washington E. Connor, Burnham, Gen. E. F. Winslow, Edward S. Stokes, S. V. White, William Dowd, Solon Humphreys, William R. Travers, Rufus Hatch, Samuel Sloan—these were some of the men identified with

various Wall street interests with whom Gould has been allied or at enmity, or both, during his long career in the street. That he has been able among all these financial giants to make himself the leader is the highest evidence that can be given of his genius in speculation and railroad financiering. As we read some of these names there arise before our eyes the visions of murder, of suicide, of bankruptcy, of the debtor's prison, of the felon's cell, of ruined fortunes and blasted reputations. Others of the men have achieved wealth and honorable names. It is interesting to note that at the time Gould first entered the street one of his fellow-boarders at the Everett House was James Gordon Bennett, the elder, with whose son and successor he became engaged in such bitter business and personal antagonisms.

Gould not only gambled in Wall street, but he defended the operation. "People," he told a State Senate Committee which was investigating into stock and grain corners, "will deal in chance. Your minister, doctor and barber all have the same interest in speculation. Would you not, if you stopped it, promote gambling?"

Jay Gould was twenty-three years old when he went into Wall street as a broker. In addition to whatever amount of money he had, he had the confidence of two or three large capitalists, which is the best capital of all for beginning a business of speculation. He started on his Wall street career in a small office and frequently took his stand with the

"curb-stone" brokers. He made money right along. In 1860 he became intimately acquainted with Henry N. Smith, who was then one of the big men in Wall street. Soon the firm of Smith, Gould & Martin was formed and it was prosperous from the start. Gould made a careful study of the railroad situation and became an expert in the manipulation of railroad securities in the speculative market. He paid the closest attention to business, allowing himself few of the social pleasures of which young men are usually fond. He had no small vices, being a teetotaler.

During the war of the rebellion, the firm did a large business in railway securities, and also made a great deal of money speculating in gold. Gould had private sources of information in the field, and he was able to turn almost every success or defeat of the Union army to profitable account.

At last Gould had found his exact niche, the corner in which the railroads were put away. That "corner" was ever after the one in which he found both his labor and his recreation, his fortune bad and good. He was a natural railroad magnate. Almost always he won, and when he did not, it was simply because he attempted schemes that would have seemed to any other man entirely beyond possibility. From this time his history never loses its intense dramatic interest and never goes back to the humdrum life that he had abandoned. From this time, there could be no night in which Jay Gould could sleep in dreamless rest, with no thought of the

morrow. From this time, there could be never a day of freedom from the intensest strain of business anxiety. He had chosen speculation for a life work, and its cares must sit upon him. His could not be the experience of the man in mercantile life, or of the man of smaller affairs, who finishes his work in the evening and goes to his home with never a thought of the cares to-morrow will bring. Great enterprises make great responsibilities. From this time the enormous weight of the responsibilities upon Jay Gould's shoulders could never again lessen.

Did he ever, in those years of scheming and fighting for wealth, cast his recollection backward to the old days at Roxbury, when he was but a bare-foot farmer's boy, with nothing more oppressive on his mind than the necessity to go through the rain for the cows, or to find the nest that the blue hen had hidden away some place in the hay-mow?

There was little in the associations that he made during these first Wall street years to remind him of those days. For while many of the men with whom he came in contact had been like himself, the sons of farmers with the first years of their lives spent far from the city, yet from this time, all their "watering" of stock was entirely in the direction of stocks which represented the value of railroads and other properties, and all their knowledge of farm products was devoted to the manipulation of grain markets.

As Gould's acquaintance grew larger, and his success in ordinary small ventures became assured, his disposition began to demand something of

greater magnitude, something with more satisfaction in it for that appetite that was already becoming insatiable. A few small railroad ventures were carried through in a manner bordering upon perfection, and this increased the confidence in him of those speculators who were already his acquaintances. The way opened for him to enter into the manipulations of Erie, and, as before, when opportunity came he recognized and grasped it.

## CHAPTER VI.

### GOULD'S ASSAULT UPON ERIE.

THE most thrilling, the most discreditable portion of Gould's career, is contained in the ten years following the close of the war of the rebellion. The blackest pages in the history of American railways comprise the chapter relating to the Erie and the most shameful efforts to wreck the fortunes of a thousand men for the aggrandizement of the fortunes of a few, were made in connection with the schemes that resulted in "Black Friday."

Nothing in the Credit Mobilier and the history of the rise of the Pacific railroads equals in downright violation of sacred trusts, in absolute plunder of vast properties, and in wholesale bribery and corruption, the record of Erie. Even Mr. Gould, in his sworn autobiography in that celebrated investigation before the committee on labor and education, while careful to give minute details about other periods of his history, significantly preserved an entire silence as to Erie and "Black Friday"—two incidents in his career which nothing but an effort to conceal could explain his silence regarding. That this is no exaggeration of language, an examination of the facts will show. There is no intention to speak maliciously of Gould. Beside an open

grave, charity and forgetfulness stand guard on either side. But the lesson of Gould's career would be lost, if even at this time the facts were not plainly and openly told. To say that Gould ruthlessly plundered the Erie railway is to speak the plain truth.

Fortunately the record of Erie, notwithstanding Mr. Gould's silence, can be told from authoritative testimony. In his famous "Chapter of Erie," published in the *North American Review*, in 1869, Charles Francis Adams gives a thrilling account of Erie from the time Daniel Drew engaged in his famous war with Commodore Vanderbilt, to the time when that unfortunate road was in complete control of Jay Gould and James Fisk, Jr. Mr. Adams' history stopped short in the middle of the story, but the record of Erie, from 1869 till Mr. Gould was driven from power in 1872, is given in the report of the legislative inquiry in 1873, and of the Hepburn investigation of 1879.

It is a curious fact that years after writing this "chapter" Mr. Adams, having become president of the Union Pacific, sat in the same Board of Directors with Gould, but only for a comparatively brief period, and Mr. Adams never repudiated or recalled his early history of Gould in Erie. It is a striking illustration, however, of the power of millions that Gould should live to sit in the same board with the representative of the aristocratic Adams family, which furnished two Presidents to the United States; that after an effort to involve the administration of

President Grant in the disgrace of Black Friday, he should, in after years, be joined with him in business enterprises; that after having been publicly branded as an unscrupulous gambler in a Congressional report written by James A. Garfield, he should be sought for to render aid to secure Garfield's election as president, and that, though not seeking to join the social circles in which the Astors are leaders, he was able to induce John Jacob Astor to sit with him in the Western Union Board of Directors.

Twenty years ago, after Mr. Adams wrote his "Chapter of Erie," he was himself president of the Union Pacific, and it must have given Mr. Gould the keenest satisfaction to have been the occasion of his retirement from that position. The railway was in a bad way financially—had a big floating debt—and Mr. Gould and his friends stepped in, gained control of the property the second time, retired Mr. Adams from the presidency and secured an adjustment of the floating debt. It was suggested to Mr. Gould at this time that he might write a "Chapter of Union Pacific" covering the history of the Adams administration. But whatever there may have been lacking in administrative vigor in Mr. Adams' presidency, he retired without any blot on the family escutcheon.

When Gould entered Wall street Erie was one of the most active stocks on the list of the Stock Exchange. It was natural that he should drift into its speculation, and his connection with the Cleveland and Pittsburg led him naturally into Erie. His old acquaintances were surprised to hear one day that

he had become a director and a controlling spirit of this great road. This was in 1867.

But now let us quote a little plain language from Charles Francis Adams in order to get into the atmosphere of Erie at this time:

"Yet freebooters are not extinct," he wrote. "They have only transferred their operations to the land, and have conducted them in more or less accordance with the forms of law, until at last so great a proficiency have they attained that the commerce of the world is more equally but far more heavily taxed in their behalf than would ever have entered into their wildest hopes, while outside the law they simply make all comers stand and deliver. \* \* \*

Gambling is a business now, where formerly it was a disreputable excitement. Cheating at cards was always disgraceful. Transactions of a similar character under the euphemistic names of 'operating,' 'cornering' and the like are not so regarded. \* \* \*

No better illustration of the fantastic disguises which the worst and most familiar evils of history assume as they meet us in the actual movement of our own day could be afforded than was seen in the events attending what are known as the Erie wars of the year 1868."

In these wars Gould was an active spirit; and if Mr. Adams had written in 1873 instead of 1869 he would have made his language still stronger.

Before his entrance into Erie Gould had become acquainted with James Fisk, Jr., and the former, with that unerring judgment of men which was

always one of the elements of his success, soon perceived in Fisk the qualities which supplied his own deficiencies. Fisk was the son of a Vermont peddler and followed the calling himself for some time, and in it learned the great art of driving a hard and shrewd bargain. Wholly uneducated, his natural ability in the line of making money was very great. Gould was timid and shrank from publicity. Fisk was bold and loved notoriety. Gould had many refinements of mind and was of a domestic nature. Fisk was coarse, sensual and fond of display. He became the colonel of a militia regiment, and with great delight used to put on his uniform and ride in front of his command. He used to create a sensation by riding in a carriage with six horses in questionable female company. He considered it one of the choicest prerogatives of his position of vice-president and comptroller of Erie to direct the theater that adjoined the railway offices in the Grand Opera House. While Gould did not have the inclination or courage to do these things he did not hesitate to use Fisk in every available way and to hide his own personality behind that of his partner. In those days Fisk seemed to play the more prominent part, and Gould, in public estimation, was a secondary character. When anything was done it was Fisk that bore the brunt of popular criticism and indignation. Yet the facts as they are now known show that Gould's was the master mind; Fisk was simply his right arm. "With Gould to plan and Fisk to

act," said Gen. Francis Barlow, in 1872, "they were a strong team."

At the time Gould and Fisk entered into Erie, Daniel Drew was the master of that great trunk line. Drew was one of the most extraordinary characters in Wall street history. Both pious and unscrupulous, he founded a theological seminary and wrecked a railroad with equal fervor. He was a director and treasurer of Erie, and used these positions simply for speculative purposes. He was known in his day as "the great speculative director." His biggest piece of "financiering" was to get himself apparently cornered in Erie stock, and then to appear in the street with a block of stock which had been converted from bonds issued with an obscure provision entitling the holders to convert them into stock. Gould later on repeated this trick with success, both in Erie and Jersey Central.

Soon after Gould and Fisk entered Erie, Drew became engaged in his celebrated contest with Commodore Vanderbilt, and in this contest he had their able assistance. The first and great Vanderbilt was cast in a larger mould than Drew. The latter was simply a speculator. Vanderbilt was a creator of property. He was the first of the line of railroad kings. Laying the foundations of his great wealth in the steamboat and steamship business, he soon drifted into railroad operations, clearly seeing that in the development in the great inland commerce of America there were larger and quicker profits to be obtained than in the export trade.

Vanderbilt had obtained control of the Harlem and Hudson River roads; he now aimed at the ownership of Erie. Space will not permit the telling of the story of this famous contest. It can be found in detail in Mr. Adams' interesting chapter. It is a story of extraordinary stock operations, of millions lost and won; of securities issued by the bushel and with little or no regard for law or equity; of large and intricate litigation; of judges bought, legislators bribed, of directors defying injunctions and fleeing to another state to escape arrest. Vanderbilt, having been defeated in other efforts to get his fingers on the Erie road, resolved, if possible, to buy a controlling interest, and his brokers were set at work on this difficult job. Drew resolved to let Vanderbilt have as much stock as he wanted, but entered into a bargain with Gould and Fisk by which the railroad king should be defeated by issuing and marketing an unlimited number of new securities. So Drew sold and Vanderbilt bought. The latter, having in remembrance Drew's famous convertible stock trick, resorted to the courts to prevent him from issuing any more stock. Injunctions were issued enjoining Drew and all the directors of the road from issuing any stock. Counter-injunctions were obtained by the Drew-Gould party. One judge would issue an order commanding certain things to be done which another judge simultaneously commanded should not be done. Judges in New York, Brooklyn, Albany and Binghamton issued contradictory injunctions. Such a legal pandemonium has never been seen

before or since. The courts ran riot and law became another name for plunder. In this scene—the blackest in the history of American jurisprudence—the notorious Judge Barnard loomed up conspicuously, and a little later Judge Cardoza, shrewd, learned, crafty and venal—the modern Lord Bacon—appeared on the scene. At first Barnard was Vanderbilt's judge. Later, when Vanderbilt had no further use for him, he became Gould's judge. His other master was Tweed.

In the meantime, regardless of injunctions, Drew and his aides calmly proceeded to carry out their carefully matured plans to issue new stock. It was agreed that fifty thousand shares of new stock should be delivered to the Wall street firms of which Gould and Fisk were members. Without going into the details of the intrigue, it is sufficient to say that it was, at least for the time being, successful. When the fifty thousand shares were thrown on the market the price of Erie fell from eighty-three to seventy-one. Vanderbilt found that he had bought at high figures a lot of Erie stock, but that he was no nearer control than ever. Drew raked in about seven million dollars of Vanderbilt's money, and Gould and Fisk shared in the profits. Then orders were issued to arrest the Drew directors for contempt of court. Receiving intelligence of this, they hastily packed up their papers and securities, and thrusting them into their pockets and valises, they beat a hasty retreat to Jersey City. Over six million dollars in securities were carried in one coach.

Among this precious company, of course, were Gould and Fisk. In Jersey they were safe from the operation of New York law. They calmly proceeded to have the Erie incorporated as a New Jersey institution, at the same time laboring to get the New York legislature to pass a bill to legalize the issue of fifty thousand shares of stock, a transaction which some one at that time likened to an attempt "to legalize counterfeit money." It was not conscientious scruples which caused the legislature to hesitate to pass this bill; it was simply a question of cash. Vanderbilt was still in the fight to protect his interests, and it was a question of who had the biggest purse. Meanwhile, Peter B. Sweeny—the brains of the Tweed ring—had been made, temporarily, receiver of the road, and though he never actually did anything in that position, Judge Barnard ordered that he be paid one hundred and fifty thousand dollars for his services. Poor Erie had to foot the bill.

The Erie people needed a first-class representative at Albany to watch their interests before the legislature. Gould was selected as the fittest man to act in the capacity of a lobbyist. First giving out that he was going to Ohio, Gould quietly slipped up to Albany, with five hundred thousand dollars of Erie cash in his pocket. Here in a day or two he was arrested, but released on five hundred dollars bail to appear in a New York court on Saturday. He appeared on that day, but his attorneys secured a postponement, and he was allowed to return to Albany in charge of an under-

sheriff. Arriving in Albany Mr. Gould was conveniently taken sick, and unable to return to New York to attend the court proceedings, though he drove to the capitol in a snowstorm. The officer reported him to the court as a "runaway," but the matter was afterward settled, and, in the language of Mr. Adams, he "assiduously cultivated a thorough understanding between himself and the legislature." In this he was materially aided by the cash with which his pockets were so liberally filled. Corruption ran high. One senator was recorded to have accepted seventy-five thousand dollars from one side and one hundred thousand dollars from the other. One man was paid five thousand dollars by Gould "just," as Mr. Gould remarked, "to smooth him over." The corruption at this session was investigated by a legislative committee in 1869. Gould was a witness, but he endeavored to conceal the facts as much as possible. In the famous Erie investigation of 1873, however, Mr. Gould testified as follows:

"I was first elected President of the Erie railroad in 1868, and I was President in 1869, 1870 and 1871. I do not remember whether I approved payment to William M. Tweed of money for legal services while he was Senator. I do not know whether he is a lawyer. He was a director of Erie and a member of its executive committee. I would not have allowed pecuniary transactions with Mr. Tweed to be put in the shape of legal services if my attention had been called to them. The name of William M.

Tweed is in my handwriting. The words in my handwriting are: 'William M. Tweed, legal disbursements as per order, J. G., \$35,000, April 25, 1871.' The approval of voucher, April 5, 1869. He was Senator in 1869, also in 1871 and 1872. The 'legal account, was of an india-rubber character. I gave large amounts in 1869, 1870, 1871 and 1872 in the senatorial and assembly districts. It was what they said would be necessary to carry the day in addition to the amount forwarded by the committee, and contributed more or less to all the districts along the line of the road. We had to look after four states—New York, New Jersey, Pennsylvania and Ohio. It was the custom when men received nominations to come to me for contributions, and I made them and considered them good paying investments for the company. In a republican district I was a strong republican; in a democratic district I was a democrat, and in a doubtful district I was doubtful. In politics I was an Erie railroad man all the time. We had friends on both sides—friends in a business way. The amounts contributed for the elections were large, but I could not give any definite estimate. No names occur to me at the moment. I am a poor hand to remember names. I had relations in several states. I did not keep separate what I paid out in New Jersey from what I paid out in New York. We had the same ground to go over there, and there has been so much of it—it has been so extensive—that I have no details now to refresh my mind. You might as well go back

and ask me how many cars of freight were moved on a particular day."

This confession so charmingly frank relates to payments before elections, but there is every reason to believe that the payments were continued after election.

The state of things unearthed by this investigation was officially described in the report of the legislative committee as follows:

"It is further in evidence that it has been the custom of the managers of the Erie railway, from year to year in the past, to spend large sums to control elections and to influence legislation. In the year 1868 more than one million (\$1,000,000) was disbursed from the treasury for 'extra and legal services.'

"Mr. Gould, when last on the stand, and examined in relation to various vouchers shown him, admitted the payment during the three years prior to 1872 of large sums to Barber, Tweed and others, and to influence legislation or elections; these amounts were charged in the 'India-rubber account.' The memory of this witness was very defective as to details, and he could only remember large transactions, but could distinctly recall that he had been in the habit of sending money into the numerous districts all over the state, either to control nominations or elections for Senators and members of Assembly. Considered that, as a rule, such investments paid better than to wait till the men got to Albany, and added the significant remark, when

asked a question, that it would be as impossible to specify the numerous instances as it would to recall to mind the numerous freight-cars sent over the Erie road from day to day."

The report of the committee concludes as follows:

- "It is not reasonable to suppose that the Erie railway has been alone in the corrupt use of money for the purposes named; but the sudden revolution in the direction of this company has laid bare a chapter in the secret history of railroad management such as has not been permitted before. It exposes the reckless and prodigal use of money, wrung from the people, to purchase the election of the people's representatives and to bribe them when in office. According to Mr. Gould, his operations extended into four different states. It was his custom to contribute money to influence both nominations and elections."

Mr. Adams did not have this report before him when he wrote his "chapter." His record closes in 1868, soon after Mr. Gould had been elected president of the road. This had been brought about in the following manner: While Gould was engaged in "fixing" the legislature, and the courts were filled with Erie suits, the various parties in interest got together and effected a compromise. Vanderbilt got rid of the useless stock he had bought at high figures. Drew pocketed his profits and returned from exile in Jersey. The Boston, Hartford and Erie crowd which had figured in these transactions,

having got all they could out of Erie for the benefit of their own bankrupt road, withdrew. All litigation was stopped and injunctions revoked. Bills were rushed through the legislature favorable to both Vanderbilt and Erie. Drew resigned from the road; Vanderbilt relinquished his ambition for control, and the property was turned over to Gould and Fisk. Drew may have thought that by this time the poor old road was a squeezed lemon, but if so he was mistaken, for Gould and Sage found that the property had not yet been worked for all that was in it. What their administration cost the road is very plainly set forth in the testimony given before the Hepburn Committee of 1879, by J. W. Guppy, assistant general superintendent under Gould, and for many years connected with the road into whose service he first entered as a telegraph operator. When Gould was ousted from the control in March, 1872, the total stock was \$86,536,910, the funded debt \$26,395,000 and the floating debt \$2,517,301, a total of \$115,449,211, an increase during the time of Gould's identification with the road of \$64,383,268. Yet Mr. Guppy testified that not a dollar of this vast sum was represented by any additions to the road.

At the time that the Gould-Fisk ring was sucking the life-blood of Erie, the Tweed-Sweeny ring was plundering the city of New York. The two were really one. From Mr. Gould's testimony just quoted and from other facts here presented, it will be seen how closely allied they were. Tweed was

one of the executive committee of the Erie and was paid large sums for so-called "legal" services. This was a great day for the spoilsmen. It was a long feast of corruption. Dishonesty walked openly in the streets, bribery influenced elections and controlled legislatures, and plundering was a fine art. Great as was Tweed at this time, his prosperity was soon to end in flight, capture, imprisonment, disgrace and death, but Gould survived the exposure and lived to enjoy his wealth and power.

## CHAPTER VII.

### GOULD'S VICTORY AND FINAL DEFEAT IN ERIE.

DURING these years of Erie conflicts, Gould not only fought his enemies most bitterly, but hardly appreciated the usual feelings of men to be true to their friends. Gould and Fisk now had practical control of Erie. They saw the October election coming, and they were nervous. But the crops were good and Erie's traffic brought in good returns. Englishmen had become strangely fascinated with the stock, and had bought over 100,000 shares. On August 19th the stock had dropped to 44, and then to the astonishment of Wall street, the transfer books were closed, preparatory to the annual election on October 13th. The election went off well for Mr. Gould and his friends. Peter B. Sweeny and William M. Tweed were among the new directors. Then, it is said Mr. Gould began a system of locking up money. This culminated on October 27th, when members of the New York Stock Exchange waited on Mr. Gould, who had obtained large loans on Erie. Mr. Gould told the committee that \$10,000,000 of convertible bonds had been issued, half of which had been converted into stock and the rest would be. This was a new issue. The money, he said, had been used to purchase the \$5,000,000 of

Boston, Hartford and Erie. The committee was not satisfied. It wanted to know if more stock would be issued. Gould replied: "In certain contingencies," meaning for his loans. The Secretary of the Exchange afterward said that the stock of the corporation had been increased from \$34,265,300 on July 1, 1868, to \$57,766,300 on October 24th, or by 235,000 shares within four months. These new issues forced Erie to 35. There was over \$12,000,000 in greenbacks locked up and all values were depressed. The situation was so serious that Secretary McCulloch of the treasury, a contractionist, was compelled to announce that if necessary \$50,000,000 additional currency would be forthcoming for the relief of the community.

Their next achievement, after securing entire possession, was to corner their old associate Daniel Drew. The latter, after a short retirement from the street, returned to speculation and naturally drifted into Erie, but this time from the outside. He was caught just as many times he had caught others. And Gould repeated, only in a more aggravated way, his trick of issuing new stock and flooding Wall street with it. This new stock was issued by Gould and Fisk without even going through the form of consultation with the other directors. Mr. Adams calls this "the most extraordinary feat of financial legerdemain which history has yet recorded." Drew found that even he, old and experienced in all the tricks of his trade, was no match for Gould. He appealed to the courts for relief, but Mr. Gould

fought him in the same way. Realizing that he had no other avenue of escape, Drew actually called on Gould and Fisk one night and appealed piteously to be permitted to get out without loss, though his companions in loss might be squeezed to Gould's heart's content. Gould and Fisk bowed their aged associate out without satisfaction and smiled as they closed the door on the old man.

That was on a Sunday. Next day, in the name of August Belmont, Justice Sutherland was asked to enjoin the issue of any more new Erie stock and to appoint a receiver. Drew signed the affidavits, but, to his chagrin, Gould was ahead of him by two hours. On the petition of one McIntosh, a man in Gould's employ, Justice Barnard restrained all suits and appointed Gould the receiver of the railroad. Erie stock fell only to 48.

Justice Barnard allowed Mr. Gould to buy and cancel 200,000 shares of Erie. This was intended to crush Daniel Drew, who had to have 70,000 shares to deliver in a few days. Gould's purchases rushed the stock to 62, and then it turned out that thousands of shopkeepers and barbers, tailors, and all sorts of people, had a share or ten shares of Erie and wanted to realize on them. Gould could not meet the rush of shares these people had to sell. He and Fisk fought like tigers, but they could not stand the drain, and Drew settled his contracts at 57, losing \$1,500,000. Then Erie fell to 42. The Open Board of Brokers refused to deal in Erie unless the stock was registered at a reputable banker's. Erie was

knocked off the list and Gould organized a new Board of his own, where trading in Erie went on as before.

Gould at this time actually posed as an anti-monopolist before the public. All his extraordinary acts as president of the Erie were defended on the ground that he was endeavoring to protect the system against consolidation or affiliation with other trunk lines, and there were some honorable persons who really put faith in this statement. "Gould," said Mr. Adams, "posed as a public benefactor, with unspeakable effrontery."

There was more fighting in the courts over Erie. Justice Sutherland vacated Barnard's order making Gould receiver, and Noah Davis was made receiver. Barnard stayed Sutherland, and Sutherland granted a motion to show cause why Barnard's stay should not be vacated. Gould and Fisk sued August Belmont for \$1,000,000 damages, and Frank Work and Richard Schell for \$429,250, paid to them at the time of the settlement with Vanderbilt. Gould and Fisk even went to the United States District Court, and on a petition of one of Gould's clerks, Henry D. Whelpley, a stockholder, Judge Blatchford appointed Gould receiver, and directed the Erie company to place \$8,000,000 in his hands to protect the rights of the plaintiff, Whelpley, who protested that he had been injured by certain issues of stock.

The marvelous business acumen displayed by the manipulators of these properties was aided by the blind zeal of certain foreign investors for Ameri-

can securities then as prevalent as now. The wonderful financial operations of the Drew and Gould regimes in Erie could not have been possible but for the extraordinary fascination which the stock possessed for English capitalists. While Americans looked with more than suspicion on the Erie securities, England was possessed of an irresistible craze to get as many of them as possible. English capitalists would not take the United States bond even when selling below par, but they bought with avidity every share of Erie they could get hold of. At last, however, the eyes of the English stockholders were opened to the true condition of affairs, and under the lead of James McHenry they organized to get the control of the property. At this time Gen. Daniel E. Sickles, one of the heroes of Gettysburg, was Minister to Spain. He was engaged to lead the anti-Gould forces against the Erie strongholds. He did his work well, and it is said was paid a very big fee for his labors. He obtained a leave of absence from Madrid and returned home to conduct the operations in person on the ground. This was the last of the Erie wars.

It should be recorded at this time, however, that the famous partnership of Gould and Fisk had been dissolved by death. Fisk, late in 1871, had been shot by Edward F. Stokes, and after a few days had died from the wound. He and Stokes had at one time been friends but had quarreled over business matters and about a woman—the beautiful, but notorious Josie Mansfield—and the quarrel led to the

murder. It will surprise no one who has read this history thus far that in the course of the Erie litigations a Supreme Court judge once held court and issued orders from Josie Mansfield's apartments. Stokes was tried three times. Once the jury disagreed. Once he was convicted of murder in the first degree and sentenced to be hanged by Judge Noah Davis. This verdict being overruled by the Court of Appeals, he was tried again and convicted of manslaughter in the third degree. After serving a few years in Auburn prison Mr. Stokes returned to New York, where he soon became a prosperous business man, intimate for a long time with John A. Mackay, the California millionaire, and president of a telegraph system competing with Gould's Western Union.

Before his death the belief is that Gould and Fisk had substantially parted company. The *New York World* of that day gives an account of an interview between Gould and Fisk, in which the former asked Fisk for his resignation as vice-president and comptroller of Erie. Fisk is represented as saying to a friend who was about to leave for Europe: "I would like you to do me a favor. If you find in Europe a mean man who can do a meaner thing to his best friend or tell a bigger lie than Jay Gould, I want you to telegraph me at once." After Fisk's death, however, Gould acted handsomely by his widow. Whatever else may be said of Fisk, he was certainly a more popular man than Gould, and after the former's death Gould did not long remain at the

head of Erie. "The feeling against Gould," said Gen. Barlow, at the time of the anti-Gould revolution, "grew in great part since Fisk's death. Fisk was always popular with the people of the road and in the office. Had he been alive we should have had more trouble, or perhaps the move would never have been made."

Besides Barlow, Gen. Sickles had other efficient aid, and the anti-Gould movement was strengthened by such names as Gen. John A. Dix, who in the same year was elected governor of New York, Gen. George B. McClellan and William R. Travers.

In March, 1872, the blow was struck. A man named Archer had been elected vice-president in place of Fisk, and with his aid the revolution was accomplished. Gould had made him vice-president with the view of conciliating the opposition. Nine members of the Board of Directors had been won over to the opposition. These wrote to Gould, asking him to call a meeting of the board. As Gould did not respond, Vice-President Archer called the meeting. The revolutionists assembled at Barlow's house and prepared to carry the Grand Opera House by storm. Gould had this barricaded by his men, with instructions to permit no one to pass in. But the revolutionists succeeded in passing the picket line and passed in, and Mr. Archer called the meeting to order. Then ensued an extraordinary scene which lasted all night. Gould ordered the "conspirators," as he called them, to leave the building. They refused. Gould at this time had the benefit of

the legal advice of David Dudley Field and Thomas G. Shearman. Mr. Field was long one of the leaders of the New York bar. One of his brothers sat on the Supreme Court bench of the United States, and the other, Cyrus W. Field, was the father of the Atlantic cable, and soon one of the closest of Gould's business associates. Mr. Shearman, who afterward became famous in the defense of Henry Ward Beecher, had before this time published an article on the corruption of the New York judiciary, which attracted widespread attention, but he was now counsel to a man who owned two or three Supreme Court judges and a few months later publicly admitted the distribution of a corruption fund.

Space will not permit the telling of all the incidents of that night. Shearman appeared with forty policemen and ordered the revolutionists to leave, but they shut themselves up in their rooms and refused to do so. Gould obtained from Judge Ingraham a temporary injunction to restrain Archer and the other directors from acting, but they calmly proceeded to elect new officers and directors. Field and Shearman declared that Gould's legal position was absolutely perfect, but notwithstanding this he was finally obliged to give in. The opposition elected Gen. Dix as president and Gen. McClellan as one of the directors.

The *World* of March 11, 1872, thus describes this memorable night:

"The scene at the Grand Opera House was one to be remembered. Gould and Eldridge, with their

counsel, in one room and the newly chosen directors in another, the doors of both rooms barred, opening to no one but an avowed friend, each fearful of orders of arrests being served on them, every spare room in the offices filled with blue-coated officers of the peace, sitting in all the chairs and on all the tables and lying on the floors, and an intense sense of subdued excitement pervading the heavy air of the place.

The only communication between the two hostile parties was by means of Peter B. Sweeney, who acted as go-between.

Finding that he was defeated, Gould then resorted to one of those acts of audacity with which at different periods in his career he has surprised the public. In a public letter he offered to leave all the questions in dispute to arbitration by Horace Greeley. Thus he attempted to place himself in favorable light before the public. But it should not be supposed that Greeley was in any sense a friend of Gould. On the contrary, the *Tribune* of that day shows how severely he criticised Gould.

The battle lasted one night and then Gould surrendered. He remained as a director for a time, but his power was gone and Erie passed out of his hands forever. The property has never fully recovered from the condition into which it was thrown by the Drew-Gould regime. Though one of the most important systems in the country and enjoying an immense business, it is crippled with its enormous stock and bond liabilities, and not until 1891 did it

pay a dividend. For many years it remained in the hands of a receiver.

The testimony of J. W. Guppy before the Hepburn Committee, already referred to, gives some interesting details of Gould's management of the Erie. Among the roads which Erie leased were the Chemung railroad and the Canandaigua and Elmira. These leases were very profitable to Erie, but Gould, as an individual, after quietly purchasing a majority of their capital stocks, as president of Erie refused to pay the rentals, thus abrogating the leases: Then he sold the roads to the Northern Central of Pennsylvania at a big profit. Gould and Fisk organized a number of auxiliary companies whose plant was usually paid for by Erie, but whose stock went into the pockets of Gould, Fisk and their associates. Among these companies was the National Stock Yard Company. The land was purchased and the improvements made by Erie, but the stock was divided as so much spoils, 800 shares finding their way into the pockets of Judge Barnard. The Erie Emigrant Company, the Jefferson Railroad Company, the Blackford Company and the Greenwood Coal Company were the names of some of the companies practically saddled upon Erie, but whose stock was issued to Gould and Fisk without consideration.

August Stein, who made an examination into the records, told the Hepburn Committee that the amount of Gould's wrong-doing in Erie was about \$12,000,000. By this was meant the amount which he wrongfully appropriated.

Mr. Gould's smartness was never made more apparent than in his manner of pretending to restore the money which he had misappropriated. He had to make restitution of this stolen money—"stolen" is the word used by the Hepburn Committee. After he had left Erie, the new management sought to ascertain how large was the plunder carried away by Gould. This information could be obtained with complete accuracy only from Morosini, the auditor of the company, and he refused to make up the accounts, leaving Erie to join his fortunes with those of Gould. Morosini now became inseparable from Gould and a notable figure in Wall street. He was a tall, athletic Italian, shrewd and faithful, an ideal private secretary. He had served with Garibaldi in the wars for Italian liberty, and was proud of his service under the great Italian patriot. He had been a sailor, too, and had a wide experience with the world, which, while not making him overscrupulous in his methods, made him invaluable to a man like Gould. When the firm of W. E. Connor & Co., of which Gould was a special partner, was founded, Morosini became partner, and when the firm dissolved, and Morosini retired from business, Gould said that his private secretary was worth \$2,000,000 or \$3,000,000.

A way was opened, however, by which the new Erie management gained some proof of Gould's wrong-doing. Gould, in company with Horace F. Clark, had engineered a corner in Northwestern stock, one of the most famous and successful cor-

ners in Wall street history. In after years, Gould gave a unique account of this corner to a legislative committee which was investigating corners. "I was interested," said Mr. Gould, with that charming frankness which he sometimes assumed, "in the Chicago & Northwestern corner. The stock was selling at seventy to eighty. I considered it very cheap," so he bought. He soon had bought a great deal more than there really was to deliver, and the shorts were cornered. The price went up to \$250. "I was induced," said Mr. Gould, with most exquisite humor, "to part with some at that price."

Among the shorts caught in this famous corner was Henry N. Smith, who only a short time before had been Gould's partner in the firm of Smith, Gould & Martin, and who had supported Gould in his great conspiracy to corner gold. Smith is another noted Wall street character, whose life is linked in that of Gould. He was something of an "exquisite," and had the reputation of wearing corsets, but he was for many years remarkably successful in Wall street. After renewing his relations with Gould he became chiefly distinguished as one of the bear leaders, and was thus continually in antagonism with Gould. Woerlshoffer, Cammack and Smith were a trio that once nearly drove Gould to the wall, but the latter lived to see one dead, the second his associate in certain speculations, and the third involved in irretrievable bankruptcy.

It was not in the Northwest corner that Smith was ruined, but in it he lost a very large sum, which

found its way into Gould's pockets. Smith was not slow in getting his revenge. The books of the late firm of Smith, Gould & Martin were in his possession, and he handed them over to Mr. Barlow, of the Erie, who quickly discovered in them the evidence on which to obtain an order of arrest for Gould and to establish a suit for the recovery of \$12,803,059, the proceeds of bonds converted into stock to the extent of 407,347 shares, which were sold by Mr. Gould's firm and the proceeds transferred to his pocket. That was the charge, and Gould was arrested and placed under very heavy bonds, which he furnished. Here Mr. Gould's genius displayed itself. He actually entered into a big speculation based on his restitution of this plunder. Gen. Dix, it should be recorded, remained as president of Erie for only a few months, and was succeeded by President Watson, a man who owed his position mainly to Horace F. Clark, who, as has been seen, was in intimate business relations with Gould. Clark undertook to arrange a compromise between Watson and Gould, and all three evidently united to "rig" the stock market by the operation. One day it was reported that Gould intended to restore his plunder, and the price of Erie advanced with a bound. A day or two later a denial of the report would come, and down would go the price. This was repeated two or three times and Gould, of course, bought at the low figures and sold at the top, and the profits must have been big. Finally the restitution, so-called, was announced with a flourish of trumpets.

On the face of the agreement Gould made over to Erie an immense amount of property and all suits were withdrawn and Gould released from all criminal responsibility. A clause in the agreement said that in making this transfer of property Gould expressly stipulated that it should not be considered as an admission of wrong-doing. The Opera House and adjoining buildings and other real estate, with the exception of Gould's Fifth avenue mansion, were made over to the Erie, and, in addition, a mass of stocks of the par value of about \$6,000,000. As a matter of fact most of these stocks were worthless. J. G. Guppy told the Hepburn Committee that he would not give \$200,000 for the entire lot. Among the securities were \$1,000,000 of United States Express stock to be issued, and which Gould guaranteed to be issued, but which, as a matter of fact, never was. When Hugh J. Jewett became receiver of Erie he discovered the utter sham of this alleged restitution. He told the Hepburn Committee: "Mr. Watson had made a settlement with Mr. Gould, in which he received in liquidation of this account, or such portion of it as he supposed he could recover, certain assets. When I came here I sought to realize on these assets. I found many of them totally worthless, and some which were of value were encumbered by existing liens."

By the closing of these transactions Mr. Gould was entirely freed from all connection with Erie and was enabled to seek new fields for cultivation. It had been a few years before, during the Erie troubles,

that Gould and his coadjutors originated the scheme for cornering gold, which consummated on the day which is now remembered as "Black Friday," the other most disgraceful of the conspiracies of his life.

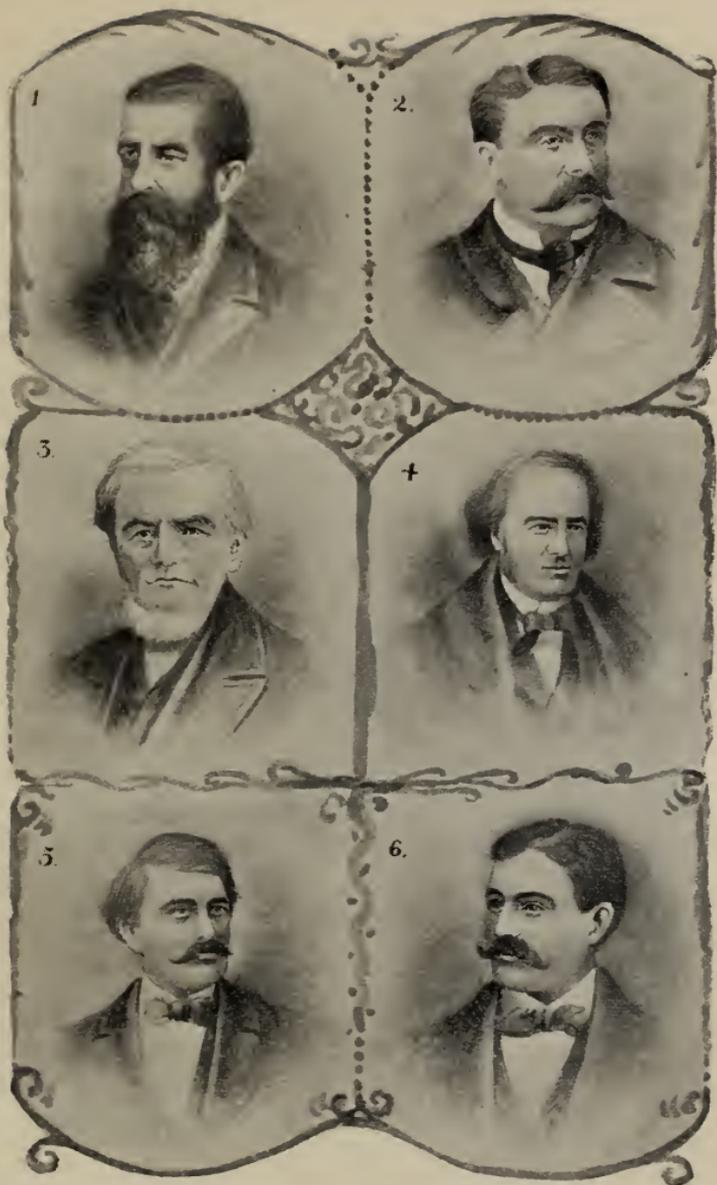
## CHAPTER VIII.

### THE GOLD CONSPIRACY.

“**B**LACK Friday,” that darkest day in the financial history of America, was not the creation of sudden circumstance, but the culmination of a plan conceived by Gould and his associates, with all its details arranged for weeks before. Whether the whole truth has ever been written about Mr. Gould’s gold operations is open to doubt. The explanation given by Henry Clews, in his noted work, “Twenty-eight years in Wall Street,” seems a trifle naive to those who are not so deeply initiated in Wall street methods. He says:

“In the year 1869, this country was blest with abundant crops far in excess of our needs, and it was apparent that great good would result from any method that could be devised to stimulate exports of a part, at least, of the surplus.

“Letters poured into Washington by the thousand from leading bankers, merchants and business men, urging that the Treasury department abstain from selling gold, as had been the practice for some time, so that the premium might, as it otherwise would not, advance to a figure that would send our products out of the country, as the cheapest exportable material in place of coin, which, at its then arti-



The Men of Black Friday.

- 1.—JAY GOULD. 2.—JIM FISK, JR. 3.—DANIEL DREW.  
4.—COMMODORE VANDERBILT. 5.—PETER B. SWEENEY. 6.—E. R. STOKES.



ficially depressed price, was the cheapest of our products, and at the same time the only one undesirable to part with. So the government decided to suspend gold sales indefinitely.

“Jay Gould and others, being satisfied that this was to be the policy of the administration, commenced at once buying large amounts of gold, actuated, doubtless, by the purest of patriotic motives, namely, to stimulate cotton and cereal exports. They succeeded in accumulating a considerable amount of gold at prices ranging from 135 to 140, covering a period of three months' steady buying.

“This was the honest foundation on which the great ‘Black Friday’ speculative deal was erected.

“The eruption on ‘Black Friday’ was really caused by the erratic conduct of James Fisk, Jr., who actively joined the movement on Thursday, the day before, and became wild with enthusiasm on the subject of high gold.”

The “Black Friday” scheme was the most gigantic one that Wall street had ever seen. This gold conspiracy was investigated in 1870 by a committee of Congress, of which James A. Garfield, afterward President, was chairman, and S. S. Cox, a member. The investigation undertaken went far enough to show how zealously the conspirators labored to get Grant within their toils and implicated persons near to him. Unfortunately, too, the President had innocently enough permitted himself to be put in a suspicious position, and it was long before he was completely purged of the scandal.

The report of the committee, with the accompanying testimony, is absorbingly interesting:

“Gould, the guilty plotter of all these criminal proceedings,” is the language of James A. Garfield, the author of this report.

Gould some years before had formed a co-partnership with H. N. Smith and others under the name of Smith, Gould, Martin & Co. “He was a broker,” says Henry Adams in his history of the gold conspiracy, “and a broker is almost by nature a gambler, perhaps the very last profession suitable for a railway manager. In character he was strongly marked by his disposition for silent intrigue. He preferred, as a rule, to operate on his own account without admitting other persons into his confidence, and he seemed never to be satisfied except when deceiving every one as to his intentions. There was a reminiscence of the spider in his nature. He spun huge webs in corners and in the dark, which were seldom strong enough to resist a serious strain at the critical moment. His disposition to this subtlety and elaboration of intrigue was irresistible. It is scarcely necessary to say that he had not a conception of a moral principle. In speaking of this class of men, it must be fairly assumed at the outset that they do not, and can not, understand how there can be a distinction between right and wrong in matters of speculation, so long as the daily settlements are punctually effected. In this respect, Mr. Gould was probably as honest as the mass of his fellows, according to the moral standard of the street; but without

entering upon technical questions of roguery, it is enough to say that he was an uncommonly fine and unscrupulous intriguer, skilled in all the processes of stock gambling, and indifferent to the praise or censure of society."

It was one of Mr. Gould's peculiarities that he rarely entered into any large speculation without furnishing the public with a plausible reason for assisting him in his operations. This was certainly the case in the gold conspiracy. The plausible reason was in this case suggested to Mr. Gould by James McHenry, who was then training with Mr. Gould in Erie. The latter spared no pains to dress the reason up in the best shape and give it to the public. Mr. Gould argued with much apparent force, but actual sophistry, that an advance in the price of gold would benefit the Western farmers in giving them a bigger price for their grain, and Mr. Gould backed up this theory with many facts and figures. Gen. Grant had just become President. His Secretary of the Treasury was George F. Boutwell. The key to the situation was the financial policy of the government. No successful corner in gold could be established if the Treasury should sell gold with a liberal hand. It should be explained that the war had caused a lively speculation in gold, which continued after the war until the resumption of specie payments made the greenbacks equal in value to gold. Speculation in gold was carried on in the gold-room, an institution separate from the Stock Exchange.

It became essential to the success of Mr. Gould's plans that the Grant administration should either become a party to the speculation or else an honest believer in his crop theory. Failing in both of these, the public must at least be impressed with the idea that the administration was in the deal whether it was or not. So Gould began to lay systematic siege around the administration. He seems to have entered alone into this speculation. It was only when he was unable to carry the burden alone that he took in others, and it was not until late in the game that Fisk entered, Gould found a brother-in-law of President Grant a convenient tool in his operations. The name of this brother-in-law was A. R. Corbin, who had been something of an adventurer all his life, and whose chief hold on respectability was his relationship to the President. Gould unfolded enough of his plans to Corbin to enlist him in his service and to bind him by interest to the speculation. Gould bought for Corbin \$1,500,000 of gold, and promised him that all the profits should be turned over to him. Every rise of one per cent. in the price of gold made Corbin \$15,000 richer. Corbin claimed to have great influence with the President, and Gould evidently placed much reliance in him. "I am right behind the throne," said Corbin to Gould at one stage of the proceedings. "Give yourself no uneasiness. All is right."

Mr. Henry Adams, in his celebrated chapter, "The New York Gold Conspiracy," makes the following interesting explanation of circumstances preliminary

to "Black Friday:" "In order to explain the operation of a so-called corner in gold to ordinary readers with the least possible use of slang or technical phrases, two preliminary statements are necessary. In the first place, it must be understood that the supply of gold immediately available for transfers is limited within distinct bonds in America. New York and the country behind it contain an amount usually estimated at about \$20,000,000. The national government commonly holds from \$75,000,000 to \$100,000,000, which may be thrown bodily on the market if the President orders it. To obtain gold from Europe, or other sources, requires time.

"In the second place, gold in America is a commodity bought and sold like stocks. In gold, as in stocks, the transactions are both real and speculative. The real transactions are mostly purchases or loans made by importers who require coin to pay custom on their imports. The speculative transactions are mere wagers on the rise or fall of price, and neither require any actual transfer of gold, or even imply its existence, although in times of excitement hundreds of millions nominally are bought, sold and loaned.

"Under the late administration, Mr. McCulloch, then Secretary of the Treasury, had thought it his duty at least to guarantee a stable currency, although Congress forbade him to restore the gold standard. During four years gold had fluctuated little and principally from natural causes, and the danger of attempting to create an artificial scarcity

in it had prevented the operators from trying an experiment which would have been sure to irritate the government. The financial policy of the new administration was not so definitely fixed, and the success of the speculation would depend on the action of Mr. Boutwell, the new secretary, whose direction was understood to have begun by a marked censure on the course pursued by his predecessor.

“Of all financial operations, cornering gold is the most brilliant and the most dangerous, and possibly the very hazard and splendor of the attempt were the reasons of its fascination to Mr. Jay Gould’s fancy. He dwelt upon it for months and played with it like a pet toy. His fertile mind even went so far as to discover that it would prove a blessing to the community, and on this ingenious theory, half honest and half fraudulent, he stretched the widely extended fabric of the web in which all mankind was to be caught. This theory was in itself partially sound. Starting from the principle that the price of grain in New York is regulated by the price in London, and is not effected by currency fluctuations, Mr. Gould argued that if it were possible to raise the premium on gold from 30 to 40 cents at harvest time, the farmer’s grain would be worth \$1.40 instead of \$1.30, and as a consequence the farmer would hasten to send all his crop to New York for export over the Erie railway, which was sorely in need of freight. With the assistance of another gentleman, Mr. Gould calculated the exact premium at which the western farmer would consent

to dispose of his grain, and thus distance the three hundred sail which were hastening from the Danube to supply the English market. Gold, which was then heavy at 34, must be raised to 45.

"This clever idea, like all the other ideas of these gentlemen of Erie, seems to have had the single fault of requiring that some one somewhere should be swindled. The scheme was probably feasible; but sooner or later the reaction from such an artificial stimulant must have come, and whenever it came, some one must suffer. Nevertheless, Mr. Gould probably argued that so long as the farmer got his money, the Erie railway its freights, and he himself his small profits on the gold he bought, it was of little consequence who else might be injured; and indeed by the time the reaction came, and gold was ready to fall as he expected, Mr. Gould would probably have been ready to assist the process by speculative sales in order to enable the Western farmer to buy his spring goods cheap, as he had sold his autumn crops dear. He himself was equally ready to buy gold cheap and sell it dear on his private account, and as he proposed to bleed New York merchants for the benefit of the Western farmer, so he was willing to bleed Broad street for his own. The patriotic object was, however, the one which, for obvious reasons, Mr. Gould preferred to put forward most prominently and on the strength of which he hoped to rest his ambitious structure of intrigue."

Here is the story in brief: In March, 1869, the price of gold touched  $130\frac{1}{4}$ , which was the lowest

figure that it had reached in three years. Jay Gould, as president of the Erie railway and the principal owner of the Tenth National Bank, had the command of large sums of money. He proposed to Fisk that they take advantage of the low price of gold and "corner" it. Fisk did not think the scheme practicable, and declined at first to go in. Subsequently he reconsidered his determination and joined in the undertaking zealously. Gould bought \$7,000,000 of gold at 132 and put up the price to 140. He induced other brokers to buy heavily, and within a few days gold advanced to 144. It soon dropped back to 136. The element of uncertainty in Mr. Gould's plan was the policy of the government with reference to gold sales. Should the government at any time release some of the millions stored in the Sub-Treasury here, no "corner" could be successful.

The first step in the conspiracy after the bribing of Corbin and the purchase of a large quantity of gold was to secure the appointment of the right sort of man as Assistant Treasurer at New York. Though nominally a subordinate officer and having no original authority, the assistant treasurer draws the salary of a cabinet officer, and his influence is large. Corbin undertook this part of the scheme and secured the appointment of Gen. Butterworth, who seemed to give great satisfaction to Gould. Butterworth was afterward exonerated by Congress of all guilty connection with the gold conspiracy, but Gould purchased for his account \$1,000,000 of gold. But then Gould also had the effrontery at

one stage of the negotiations to buy \$500,000 of gold for Gen. Porter, the President's private secretary, which that gentleman promptly declined. It was said, also, that \$500,000 was purchased in the name of Mrs. Grant, but she never received any of the profits and had no connection with the conspiracy.

Butterworth secured, it was necessary to make an impression on the President. Says Mr. Adams: "On the 15th of June, 1869, the President came to New York, and was there the guest of Mr. Corbin, who urged Mr. Gould to call and pay his respects to the chief magistrate. Mr. Gould had probably aimed at precisely this result. He called, and the President of the United States not only listened to the president of Erie, but accepted an invitation to Mr. Fisk's theatre, sat in Mr. Fisk's private box, and the next evening became the guest of these two gentlemen on their magnificent Newport steamer."

The President was to be sounded in regard to his financial policy on the occasion of this memorable trip to Boston, and when the selected guests sat down at nine o'clock to supper the conversation was directed to the subject of finance. "Some one," says Mr. Gould, "asked the President what his view was." The "some one" in question was, of course, Mr. Fisk, who alone had the impudence to put such an inquiry. The President bluntly replied that there was a certain amount of fictitiousness about the prosperity of the country, and that the bubble might as well be tapped in one way as another. The

remark was fatal to Mr. Gould's plans and he felt it, in his own words, "as a wet blanket."

Mr. Fisk, in his testimony, frankly said:

"On our passage over to Boston with Gen. Grant we endeavored to ascertain what his position in regard to finances was. We went down to dinner about nine o'clock, intending, while we were there, to have this thing pretty thoroughly talked up, and, if possible, to relieve him from any idea of putting the price of gold down."

Mr. Gould in his testimony said of the President: "He was our guest. At this supper the question came up about the state of the country, the crops, and the prospects ahead. The President was a listener; the other gentlemen were discussing. Some were in favor of Boutwell's selling gold, and some were opposed to it. After they had all interchanged their views, some one asked the President what his view was. He remarked that he thought there was a certain amount of fictitiousness about the prosperity of the country, and that the bubble might as well be tapped in one way as another. That was about the substance of his remark. He then asked me what I thought about it. I remarked that I thought if that policy was carried out it would produce great distress, and almost lead to civil war."

However, Gould was already in, and he was not a man to back out as long as he saw any chance for success, and he finally succeeded in really impressing on the President's mind that in order to move the crops it was necessary that gold should sell at

145. Gould's first purchases had been made as low as  $130\frac{1}{4}$ , which was about the normal price.

But it should be said at the outset that there is not a particle of evidence that Gen. Grant was ever personally concerned in the speculation or that he winked at members of his official household being so. On the contrary, the evidence is all the other way. Grant never seemed to like Gould. When the latter succeeded in getting his first interview with the President, Gen. Grant reprimanded his servant for allowing him so easy an access to his person, and at a later day the President remarked to his Secretary that he did not like to have that man—referring to Gould—around so much. "He is always trying to get something out of me," was the President's remark.

After the party returned to New York, Gen. Grant, Mr. Gould and Mr. Corbin had private interviews on the gold question at Mr. Corbin's house. As a result of these interviews, according to Mr. Gould's testimony, the President remarked that the government would do nothing during the fall months to put down the price of gold or to make money tight. Just after those interviews Mr. Gould purchased two millions in government bonds for Mr. Corbin's account. The next interview with President Grant on this great subject was at Newport, where James Fisk, Jr., followed him.

Fisk testified that Corbin told him that Mrs. Grant had an interest in the gold speculations; that five hundred thousand of gold had been taken by

Mr. Gould at 131 and 132, which had been sold at 137; that Mr. Corbin held for himself about two millions of gold, five hundred thousand of which was for Mrs. Grant and five hundred thousand for "Porter."

The story of the conspiracy, as Mr. Clews tells it, is interesting as well, and has certain points of difference from the others. He says:

"Although the policy of stopping the sale of gold had been agreed upon in deference to the views of the best financiers of the country, yet Mr. Gould and his fellow strategists thought it was best to make assurance doubly sure on this point, in order that nothing might stand in the way of the great speculative intrigue to get a "corner" in gold. President Grant was conservative on the subject. The conspirators, therefore, conceived the design of arranging things so that Secretary Boutwell could not depart from this policy, no matter what emergency might arise.

"This bold and wicked strategy could only be successful by first getting President Grant convinced that the theory of stopping the gold sales was the only commercial salvation for the country, in the then condition of business stagnation and the possible panic threatened. The theory was then to impress him with the necessity of giving Secretary Boutwell an absolute order not to sell gold, and afterward to fix things so that it would be impossible for the President to revoke that order until the brilliant speculative purposes of the clique in cornering gold should be accomplished.

“The scheme was but little short of treason, regarded from a patriotic point of view, and it is very questionable if the perpetrators would have stopped short of this dastardly act had they not been convinced that their purpose was fully compassed by a method less villianous and shocking. It was considered indispensable by the conspirators for the consummation of their plans that Grant should be got out of the way by some means or other. Fortunately for him and for the honor of the nation, the plan succeeded without the necessity of offering him any violence.

“It was arranged that Gen. Grant should accompany a party one beautiful evening in the middle of June, who were going to attend the great Peace Jubilee of Patrick Sarsfield Gilmore in Boston. Jim Fisk did the executive work in the arrangement. There was a fine champagne supper on board the Boston boat and several gentlemen were present who were thoroughly conversant with financial questions and could talk glibly on the state of the country. Mr. Gould said, in his testimony: ‘I took the ground that the government ought to let go of the loan and let it find its commercial level; that in fact it ought to facilitate an upward movement in gold in the fall.’

“This reference to ‘its commercial level’ is rich, coming from the head center of the plotters who wanted to put the article up to 200.

“About the time the above events were transpiring, the Assistant Secretary of the Treasury, Mr. H.

H. VanDyck, resigned his office in this city. Mr. Gould's chief ambition was to name his successor in order that he might be able to control the treasury when the time to get a corner in gold should be ripe. Mr. Abel R. Corbin came in quite handy at this juncture to help to further the designs of Mr. Gould. He was a man of fair education and considerable experience both in business and politics. He had been a lobbyist in Washington for some years. He was well informed on financial matters, a pretty good writer, and could talk like a book. His wife was a sister of Mrs. Grant and he had good opportunities for reaching the presidential ear, which he employed to the best advantage.

"A gentleman named Robert B. Catherwood, who was married to a step-daughter of Mr. Corbin, was approached by Gould and Corbin on the subject of the Assistant Treasurership. They were anxious that Mr. Catherwood should take the office and told him that he would make a great deal of money in a perfectly legitimate manner if he were once installed.

"So Mr. Catherwood stated in his testimony before the investigating committee, but he adds: 'My ideas differed from theirs in what constituted a legitimate manner and I declined the office.'

"The office then sought another man in the person of Gen. Daniel Butterfield. He received the intimation of his appointment in a very different spirit from Mr. Catherwood, showing that he was fully equal to the occasion. He wrote a letter to Mr. Corbin, thanking him kindly for the offer, say-

ing that he was under numerous obligations to him, and expressing a hope that he would be eminently successful in his undertaking. Gen. Butterfield received his commission in due course.

“Corbin talked with Grant until he received a positive assurance that Boutwell was not to sell any more gold. At a meeting in Grant’s house, where Gould and Corbin were present, the President said: ‘Boutwell gave an order to sell gold, and I heard of it and countermanded the order.’

“It was not until Gould had received positive assurance from the President’s own lips, that he considered his scheme perfect. But the links of this strategic chain were now nearly all forged. The bankers and merchants were largely in his favor through commercial necessity, the Sub-Treasury was ‘fixed,’ as he thought, and the executive fiat had placed the Treasury of the United States itself where it could not spoil the deal if Grant did not change his mind. There were reasons, of course, to apprehend that he would do so in case of an emergency; for he never was privy to the scheme, no matter what his traducers and political enemies may have said.

“To insure perfect safety, then, Grant must be put out of the way temporarily. This was the crowning effort of the conspirators. After the Boston Peace Jubilee, this Cabal spent the remaining part of the summer in maturing its designs.

“It seemed necessary that all the members of the Cabal should be fully acquainted with the combina-

tion to Grant's purposes as regarded his orders to Boutwell, and that his ideas should remain fixed on the theory of increasing exportation for the country's safety. Accordingly, it was arranged that Jim Fisk should visit the President at Newport, where he was on a visit, some time about the middle of August, a month or so prior to Black Friday. It would seem that Grant at this date was still wavering and adhering to his policy of selling gold, in spite of the order which he had given Boutwell. He may have been suspecting that the anxiety of Gould, Corbin & Co. for the prosperity of the country-was not altogether genuine. The necessity of bringing further pressure to bear upon him was, therefore, clearly manifest.

“Referring to the interview at Newport, Fisk said: ‘I think it was some time in August that General Grant started to go to Newport. I then went down to see him. I had seen him before, but not feeling as thoroughly acquainted as I desired for this purpose, I took a letter of introduction from Mr. Gould, in which it was stated that there were three hundred sail of vessels then on the Mediterranean, from the Black Sea, with grain to supply the Liverpool market. Gold was then about thirty-four. If it continued at that price, we had very little chance of carrying forward the crop during the fall. I know that we felt nervous about it. I talked with Gen. Grant on the subject and endeavored, as far as I could, to convince him that his policy was one that would only bring destruction on us all. He then asked me

when we should have an interview, and we agreed upon the time. He said: 'During that time I will see Mr. Boutwell, or have him there.'

"The President was carefully shadowed after this by the detectives of the clique, and great care was taken to throw men across his path who were fluent talkers on the great financial problem of the day, the absolute necessity of stimulating the export trade and raising the premium upon gold for that patriotic purpose. In this way, President Grant began to think that the opinion of almost everybody he talked with on this subject was on the same side, and must, therefore, be correct.

"About the first of September, it was considered that the opinions of the President had been worked up fairly to the sticking point, and Gould bought \$1,500,000 in gold at 132½ for Corbin. Gould, however, was timid in his purchasing at first, as he had heard that a number of operators who were short of gold were making arrangements to give Secretary Boutwell a dinner. On further assurance from Corbin that the President had written Boutwell to sell no gold without consulting him, Gould prepared to go ahead with the execution of his great scheme. Nothing remained to be done in the completion of the plot except to stow away the President in a place of safety until the financial storm should blow over."

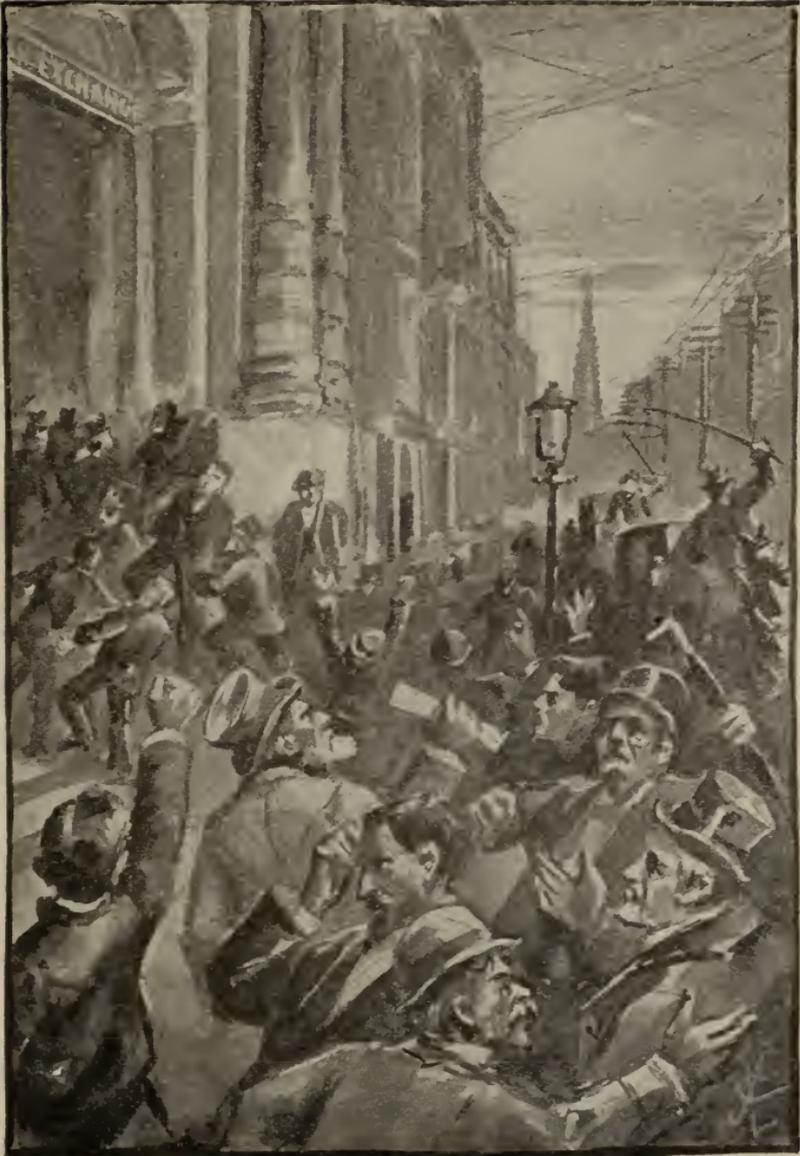
## CHAPTER IX.

### CULMINATION OF CONSPIRACY—BLACK FRIDAY.

SEPTEMBER is the memorable month of the gold conspiracy in Wall street. Between the 20th of August and the first of September, Gould, in company with Woodward and Kimber, two large speculators, made a pool to raise the premium on gold, and some ten or fifteen millions were bought, but with very little effect on the price.

An event now took place which would have seemed to justify the implicit belief of an Erie treasurer in the corruptibility of all mankind. The unsuspecting President again passed through New York, and came to breakfast at Mr. Corbin's house on the 2d of September. He saw no one but Mr. Corbin while there, and the same evening at ten o'clock, departed for Saratoga. Mr. Gould declared afterward, however, that he was told by Mr. Corbin that the President, in discussing the financial situation, had shown himself a convert to the Erie theory about marketing the crops, and had stopped in the middle of a conversation in which he had expressed his views and written a letter to Secretary Boutwell. In regard to this letter, Secretary Boutwell testified as follows:

"I think on the evening of the 4th of September



"BLACK FRIDAY" IN WALL STREET.



I received a letter from the President, dated at New York, as I recollect it; I am not sure where it was dated. In that letter he expressed an opinion that it was undesirable to force down the price of gold. He spoke of the importance to the West of being able to move their crops. His idea was that if gold should fall, the West should suffer and the movement of the crop would be retarded. The impression made on my mind by the letter was that he had rather a strong opinion to that effect. Upon the receipt of the President's letter, I telegraphed to Judge Richardson, 'Send no order to Butterfield as to sales of gold until you hear from me.'"

Mr. Gould had therefore succeeded in reversing the policy of the National Government, but this was not all. He knew what the government would do before any officer of the government knew it. Mr. Gould was at Corbin's house on the 2d of September, and it seems certain that he saw Corbin privately, unknown to the President, within an hour or two after this letter to Mr. Boutwell was written, and that it was at this interview, while the President was still in the house, that Mr. Corbin gave him the information about the letter, perhaps showed him the letter itself. It was immediately at this time that Gould bought \$1,500,000 worth of gold for Corbin.

No time was lost, and from this day Gould bought largely of gold. He did everything to give the public the impression that the government was behind the "deal." An article written by Corbin was pub-

lished as an editorial in the *Times* and attracted attention, as the editor, John Bigelow, had just had a conversation with the President and was supposed to speak with authority. Notwithstanding the authorship of the article, it is just to say that the *Times* detected the odor of Wall street about it and quarantined the article before making it public. Its effectiveness for Gould was much lessened. Gould wrote to Boutwell with a view of obtaining an official statement from him, but received a reply that said little and that diplomatically. Meanwhile Gould had been buying millions in gold and had formed a pool that bought millions more. That the movement was fictitious is shown by the fact that the impression on prices was comparatively small. Fisk looked on incredulously. "The country is against you," was his criticism of the scheme.

Down to this moment Jim Fisk had not appeared in the affair. It was not until after September 10th that Gould appears to have decided that there was nothing else to be done but to take him into confidence. Fisk immediately bought seven or eight millions and the market began to respond slowly to these enormous purchases.

"Meanwhile Mr. Gould had placed another million and a half of gold to the account of Gen. Butterfield and notified him of the purchase; so Mr. Gould swears, in spite of Gen. Butterfield's denial. The date of this purchase is not fixed. Through Mr. Corbin a notice was also sent by Gould about the middle of September to the President's private secretary,

Gen. Porter, informing him that half a million was placed to his credit. Gen. Porter instantly wrote to repudiate his purchase, but it does not appear that Butterfield took any notice of Gould's transaction on his account. On the 10th of September the President had again come to New York, where he remained his brother-in-law's guest till the 13th, and during this visit Mr. Gould appears again to have seen him, although Mr. Corbin avers that on this occasion the President intimated his wish to the servant that this should be the last time Mr. Gould obtain admission.

"Things were now so managed that the President was placed in a position that his honor was seriously in danger of being compromised, yet so ably was the matter engineered that he was perfectly unconscious of the designs of the plotters. He was prevailed upon to go to a then obscure town in Pennsylvania, named Little Washington. The thing was so arranged that his feelings were worked upon to visit that place for the purpose of seeing an old friend who resided there. The town was cut off from telegraphic communications, and the other means of access were not very convenient. The President set out on his journey on the morning of the 13th, and there he was ensconced to remain for a week or so, about the time the Cabal was fully prepared for action.

"Gould then said to Fisk: 'This matter is all fixed up. Butterfield is all right. Corbin has got Butterfield all right and Corbin has got Grant fixed

all right, and in my opinion they are all interested together.'

"This was patriotism with a vengeance. Just think of the audacity of it! Gould enters into a scheme to place the President in a position where he could not interfere with the plan of getting a 'corner' on gold, and then he turns around and accuses the first magistrate of the republic with being privy to a plot that was calculated to create a panic and cause widespread disaster in business circles and make him an object of universal contempt."

Some of the members of the pool got frightened and sold out, but Gould continued to buy. "I had to buy," testified Gould afterward, "or show the white feather. The other fellows deserted me like rats." Gould had the material aid of the Tenth National Bank, an institution which he owned and which he used as an adjunct to his speculative operations. The extent to which he used it in the gold conspiracy was shown by the fact that it in one day overcertified Gould's checks to the amount of \$7,500,000. Garfield called this bank "a manufactory of certified checks."

As Gould bought the bears sold "short" and the battle became intensely exciting.

Fisk's assistance was as valuable as Gould expected it to be. He took no stock in the crop theory, but the idea of making the administration a partner in the diabolical enterprise seems to have attracted him. "Nothing," said Garfield in his report to Congress, "nothing but the scent of corruption

could sharpen the appetite of Fisk for the game his leader (Gould) was pursuing. The compounded villainy presented by Gould and Corbin was too tempting a bait." So Fisk was drawn into the movement when his aid was most needed. This corner was a glittering edifice built on a foundation of deceit and corruption. It could not long stand. The most that Gould and Fisk could do was to frighten the "shorts" into covering before Grant awakened to the realization of how he was being used and issue orders to sell gold. Wall street was soon filled with rumors that the administration was in the deal and the excitement ran high.

"The malign influence," says the Congressional report already quoted, "which Cataline wielded over the reckless and abandoned youth of Rome finds a fitting parallel in the power which Fisk held in Wall street when, followed by the thugs of Erie and the debauchees of the opera, he swept into the gold-room and defied both the street and the Treasury."

The magnitude of the conspiracy is shown by the fact that before Black Friday Gould had employed fifty to sixty brokers to make his purchases, and \$50,000,000 to \$60,000,000 of gold had been bought by William Heath & Co., Woodward, H. K. Enos, E. K. Willard, and others of the brokers. He required all this to advance the price of gold from 135½ to 140½.

Fisk's entrance into the game was a powerful help to Gould, for it not only furnished another purchaser for gold, but directed public attention

from himself to Fisk. The ex-peddler loved to bask in the sun of public notoriety. Gould was timid, but Fisk had the brazen courage of a courtesan.

Gould and Fisk now became exceedingly nervous over the firmness of the President's policy. He induced Mr. Corbin to write a letter directly to the President himself. This letter, written on the seventeenth, under the influence of Gould's anxiety, was instantly sent away by a special messenger of Fisk's, who rode twenty-eight miles on horseback from Pittsburg, and delivered it in person to the President. He read the letter, and had his suspicions at once aroused. He said laconically to the messenger: "It is satisfactory; there is no answer." He began to see through the game, and at once desired Mrs. Grant to write to Mrs. Corbin requesting her husband to have nothing more to do with the Gould-Fisk gang.

The messenger telegraphed "All right" to the conspirators.

"We now come to the week which was to witness the explosion of all this elaborately constructed mine. On Monday the 20th, gold again rose. Throughout Tuesday and Wednesday, Fisk continued to purchase without limit and forced the price up to 40. At this time, Gould's firm of Smith, Gould & Martin, through which the operation was conducted, had purchased some \$50,000,000, and yet the bears went on selling, although they could only continue the contest by borrowing Gould's own gold. Gould, on the other hand, could no longer

sell and clear himself, for the reason that the sale of \$50,000,000 would have broken the market to nothing. The struggle had become intense. The whole country was looking on with astonishment at the battle between the bulls and the bears. All business was deranged and all values unsettled. There were indications of a panic in the stock market; and the bears, in their emergency, were vehemently pressing the government to intervene. Gould now wrote to Mr. Boutwell a letter so inconceivably impudent that it indicates desperation and entire loss of his ordinary coolness:

“Sir: There is a panic in Wall street, engineered by a bear combination. They have withdrawn currency to such an extent that it is impossible to do ordinary business. The Erie company requires \$800,000 to disburse. Much of it in Ohio, where an exciting political contest was going on and where we have about ten thousand employed, and the trouble is charged on the administration. Cannot you consistently increase your line of currency?”

From a friend, such a letter would have been an outrage, but from a member of the Tammany ring, the principal object of detestation to the government, such a threat or bribe, whichever it may be called, was incredible. Mr. Gould was, in fact, at his wits' end. He dreaded a panic and felt that it could no longer be avoided.

The conspirators interpreted the telegram from their messenger, reading “all right” to mean a favorable answer to the letter, and they were much

elated. But the President, supposing that the messenger was only a clerk from the post-office, had said "all right" merely to indicate that he had received the letter and required his presence no longer. His suspicions were aroused after the messenger had left, when he ascertained that he had brought the letter at post-haste all the way from New York. That night Mrs. Grant wrote to Mrs. Corbin a note stating that the President had heard that Mr. Corbin was engaged in Wall street speculations, and if it were true he desired that he should immediately dissociate himself from them. This letter filled Gould with consternation. He and Corbin sat in the latter's house all night reading and rereading the note and endeavoring to grasp the meaning between the lines. "If you show that note," said Gould, finally, "I am a ruined man." Corbin said he must obey orders and leave the street, but he insisted Gould should first take up the gold held in Corbin's name and pay him the profits. Corbin had already received a check for \$25,000. But Gould had already all the gold he wanted, and after standing for a while in silence by the door, his brow black with mystery, he left the house.

The game was up. One stroke of a woman's pen had punctured the dazzling bubble. A word from the President was sufficient to collapse the biggest corner on record. How to save himself? That was the question which, with knit brow and lips compressed with hidden excitement, Gould debated as he returned home that night. No thought

for others who were deep in the game with himself. No thought for Fisk, his friend and associate. His mind labored for himself alone. He soon reached a conclusion. While there was yet time he would dump his heavy load of gold on the market and let others take what he could not carry. His only capital now was the early information he possessed of the President's aroused suspicions; of his change of purpose. He did not tell even Fisk of Mrs. Grant's letter to Mrs. Corbin, but let Fisk continue his purchases in ignorance of the real situation. He only remarked to Fisk that Corbin was getting weary and wanted his profits, or something to that purpose. Thursday—the day preceding Black Friday—Gould began his dumping process. "I sold that day," he testified afterward, "and only bought enough to make the street think I was still a bull."

Here is Mr. Clews' story of days immediately preceding the fatal Friday.

"On Wednesday, the 22d of September, two days preceding 'Black Friday,' the clique, it is believed, owned several millions more gold than there was in the city, outside the vaults of the sub-treasury. Belden bought about eight millions of gold on that day, while Smith, Gould, Martin & Co. were also heavy purchasers. The clique held a caucus in the office of Wm. Heath & Co. in Broad street and concluded that it had gold enough to put the price to 200 if it could carry the gold without lending and compel the shorts to purchase. But the idea of finding a market for over thirty millions of

gold was also a gigantic problem, and they felt the risk of being ground between the upper and the nether millstones of their scheme.

“On the morning of Thursday another council of war was held in the office of Belden & Co., on Broadway. At this meeting, Gould, Fisk, Henry N. Smith and William Belden were present. The proceedings of this meeting were kept a profound secret, but one result of it was that Belden gave his clerk the famous order to put gold to 144 and keep it there. On that day Belden purchased about twenty millions of gold, the price opening at 141½ and closing at 143½.

“The chiefs of the Cabal had another private meeting up town that evening. The great question of closing up the transactions on the following day was the chief topic of discussion. These operators held contracts for over \$100,000,000 in gold. Gould said that the ‘short’ interest was \$250,000,000. The total amount of gold in the city did not exceed \$25,000,000, and the difference between this and the aggregate amount of the contracts of the clique was the enormous amount that would have to be settled in the event of a ‘corner.’

“Fisk proposed that the clique show its hand, publish the state of affairs, and offer to settle with the shorts at 150. His plan was rejected by his brother conspirators.”

And now opens that remarkable day in September, 1869, known as “Black Friday.” Wall street has passed through other days of excitement and calamity, but even the panic days of 1873 and 1884

pale before the awful passion and fury of Black Friday.

The New York *World* of September 25, 1869, thus describes the day:

"The scene during the conflict almost beggars description and exceeds anything ever before witnessed in Wall street. It was a tussle of enormous magnitude, fierce and desperate. It was a day long to be remembered and not easily forgotten by those who witnessed it or were caught in the maelstrom that carried everything before it."

The conspirators were early in the street, and the offices of Smith, Gould & Martin, Fisk & Belden and William Heath & Co. were the center of enormous excitement. William Belden, who was Fisk's partner, played a conspicuous part in this day's history. He was a man cool and daring—the fit companion of such men as Gould and Fisk. The day, however, left a stain on his record that could never be obliterated, and when, in 1888, Belden formed a co-partnership with a member of the Stock Exchange, the governing committee of the institution stated that unless the member severed his partnership with Belden he must leave the Exchange.

Gould, Fisk, Belden and their brokers held a counsel of war and laid out the work of the day. Heath was to look after this, Willard was to attend to that, Belden was to direct this and Fisk was to direct that, while "Gould"—the language of the Congressional report is now quoted—"Gould, the guilty plotter of all these criminal proceedings, determined

to betray his own associates, and silent and imperturbable, by nods and whispers directed all." "I determined," said Mr. Gould afterward, "not to open my mouth that day, and I did not."

What a study for a dramatic painter Gould would have made that day!

There was undoubtedly some secret understanding between Fisk and Belden to which Gould was a party, by which all the orders given that day could be repudiated if the market went against them. A ready tool was found in Albert Speyer, who accepted verbal orders from Belden in the presence of Gould and Fisk to buy, and who went into the board-room and did buy immense quantities of gold at the highest prices. The street was filled with the wildest rumors. Prices rapidly advanced to 165. The shorts trembled before the rising tide that seemed about to sweep over them. Many were frightened into covering their contracts. Gould continued to sell. Fisk and Belden continued to buy. The excitement rose point by point to the wildest pitch. Old operators lost their heads, men rushed hatless and half crazy through the streets, their eyes bloodshot, their faces pale with anxiety, their brains on fire. There came rumors of contemplated selling of gold by the Treasury, and the street went mad. Where these rumors started no one ever knew, but they were the forerunners of actual fact. James Brown, the Scotch banker, appeared in the board and began to offer gold at declining figures. Then the earthquake started, and the golden edifice built by Gould began

to tumble. Soon the Treasury order to sell \$4,000,000 of gold appeared, and then the terrible collapse. Prices fell from 165 to 133½. The board-room was the scene of contending furies. Albert Speyer completely lost control of himself; his hair is said to have turned white that night after he went home a ruined man. Wall and Broad streets were filled with men wild with excitement. Infuriated mobs surrounded the offices of Fisk & Belden and Smith, Gould & Martin. Threats of violence were made. Speyer went about saying: "Some one has threatened to shoot me. Let him shoot." The Gold Exchange Bank was obliged to suspend operations. Its clearances that day amounted to over \$300,000,000 of gold. Trading was stopped in the Gold Board. Fisk & Belden suspended and their contracts were repudiated. The fortunes of hundreds were swept away in that day's battle. Several firms were driven to the wall and announced their failures. The administration was involved in suspicion which it took years to remove. The nation was disgraced and its credit was broken.

But Gould, "the guilty plotter of all these criminal proceedings," went home saved. What he made or what he lost in that struggle is unknown, but though he had involved others in ruin and had betrayed others, he had saved himself from overthrow. To have gone down in the fight would have been a display of heroism. To save himself alone from the wreck was dishonor.

It is not strange that in his sworn autobiography

delivered to the Committee on Labor and Education, Mr. Gould omitted all mention of Black Friday, but when as a witness before the Committee on Corners he was asked about the Black Friday panic, he calmly said that it was the "result of overtrading," and that its real cause was "the fluctuations in the price of gold caused by the war!" It is a singular coincidence that exactly twenty-two years after Black Friday, on the very anniversary of the day in 1891, Gould caused another big flurry in Wall street. After several years of depression, a "boom" in stocks was in progress, when the sudden announcement was made that the Missouri Pacific, of which Gould was president, would pass its dividend. The announcement caused a revolution in prices and the "boom" completely collapsed.

Mr. Clews tells a graphic story of what he saw:

"On the morning of the fatal day, Belden and William Heath had an early breakfast together at the Fifth Avenue Hotel, and repaired immediately to their offices. Belden announced that gold was going to 200. 'This will be the last day of the Gold Room,' he added. Moved by Belden's threat, a large number rushed to cover. In the language of Henry N. Smith, 'They came on with a rush to settle.' He was settling in the office of Smith, Gould & Martin, at 150 to 145, while Albert Speyer, acting as broker for Fisk and Gould, was bidding up to 160 for a million at a time. It was only when the price came down to 133 that Speyer realized the

humorous absurdity of his position. He had then bought 26 millions since morning at 160.

"A voracious demand for margins about midday brought the work to a crisis. The scene at the office of Heath was indescribable when Belden went there to see Gould and his confederates, to find out what was to be done next with the frenzied purchasers. An eye-witness thus describes the scene at Heath's office: 'I went outside while Belden went in. I walked up and down the alley-way waiting for him to come out. Deputy sheriffs, or men appearing to be such, began to arrive and to mount guard at Heath's office to keep out visitors. After waiting a prodigious long time, as it seemed to me, Jay Gould came creeping out of the back door, and looking round sharply to see if he was watched, slunk off through a private rear passage behind the buildings. Presently came Fisk, steaming hot and shouting. He took the wrong direction at first, nearly ran into Broad street, but soon discovered his error and followed Gould through the rear passage. Then came Belden, with hair disordered and red eyes, as if he had been crying. He called: 'Which way have they gone?' and upon my pointing the direction, he ran after them. The rear passage led into Wall street. At its exit the conspirators jumped into a carriage and fled the street."

They did not fly the street, however, but went to the Broad street office of Smith, Gould & Martin, where the crowd assembled, evidently with riotous intent, apparently bent upon an application to Judge

Lynch for justice; and had any of the gentlemen appeared outside the confines of the front wall, the chances were that the lamp-post near by would have very soon been decorated with a breathless body. To insure their safety inside, however, a small police force kept guard outside, which made the barricade complete. These gentlemen remained under this shelter until the small hours of the morning, busily endeavoring to find out where they stood in the result of the gold deal; and the more they pondered over it, the greater grew the doubt in their minds whether they were standing on their heads or their heels."

The story told by Mr. Adams is also worthy of repetition as a graphic description of the terrors of the day. Beginning with the morning before, he says:

"It was the morning of Thursday, the 3d; Gould and Fisk went to Broad street together, but as usual Gould was silent and secret, while Fisk was noisy and communicative. There was now a complete separation in their movements. Gould acted entirely through his own firm of Smith, Gould & Martin, while Fisk operated principally through his old partner, Belden. One of Smith's principal brokers testifies: 'Fisk never could do business with Smith, Martin & Gould very comfortably. They would not do business for him. It was a very uncertain thing, of course, where Fisk might be. He is an erratic sort of genius. I don't think anybody would want to follow him very long. I am satisfied that Smith,

Gould & Martin controlled their own gold and were ready to do as they pleased with it without consulting Fisk. I do not think there was any general agreement. None of us who knew him cared to do business with him. I would not have taken an order from him nor had anything to do with him.' Belden was considered a very low fellow. 'I never had anything to do with him or his party,' said one broker employed by Gould. 'They were men I had a perfect detestation of; they were no company for me. I should not have spoken to them at all under ordinary circumstances.' Another says, 'Belden is a man in whom I never had any confidence in any way. For months before that I would not have taken him for a gold transaction.'

"And yet Belden bought millions upon millions of gold. He himself says he had bought twenty millions by this Thursday evening, and this without capital or credit except that of his brokers. Meanwhile Gould, on reaching the city, had at once given secret orders to sell. From the moment he left Corbin he had but one idea, which was to get rid of his gold as quietly as possible. 'I purchased merely enough to make believe I was a bull,' says Gould. This double process continued all that afternoon. Fisk's wild purchases carried the price up to 144, and the panic in the street became more and more serious as the bears realized the extremity of their danger. No one can tell how much gold which did not exist they had contracted to deliver or pay the difference in price. One of the clique brokers swears

that on this Thursday evening the street had sold the clique one hundred and eighteen millions of gold, and every rise of one per cent. on this sum implied a loss of more than one million dollars to the bears. Naturally the terror was extreme, for half Broad street and thousands of speculators would have been ruined if compelled to settle gold at 150 which they had sold at 140. It need scarcely be said that by this time nothing more was heard in regard to philanthropic theories of benefit to the western farmer.

“Mr. Gould’s feelings can easily be imagined. He knew that Fisk’s reckless management would bring the government upon his shoulders, and he knew that unless he could sell his gold before the order came from Washington he would be a ruined man. He knew, too, that Fisk’s contracts must inevitably be repudiated. This Thursday evening he sat at his desk in the Erie offices at the opera house, while Fisk and Fisk’s brokers chattered about him. ‘I was transacting my railroad business. I had my own views about the market and my own fish to fry. I was all alone, so to speak, in what I did, and I did not let any of those people know exactly how I stood. I got no ideas from anything that was said there. I had been selling gold from 35 up all the time, and I did not know till the next morning that there would probably come an order about twelve o’clock to sell gold.’ He had not told Fisk a word in regard to Corbin’s retreat nor his own orders to sell.

“When the next day came, Gould and Fisk went together to Broad street and took possession of the private back office of a principal broker, ‘without asking the privilege of doing so,’ as the broker observes in his evidence. The first news brought to Gould was a disaster. The government had sent three men from Washington to examine the bank which Gould owned, and the bank sent word to Mr. Gould that it feared to certify for him as usual, and was itself in danger of a panic, caused by the presence of officers, which created distrust of the bank. It barely managed to save itself. Gould took the information silently, and his firm redoubled sales of gold. His partner, Smith, gave the orders to one broker after another—‘Sell ten millions!’ ‘The order was given as quick as a flash, and away he went,’ says one of these men. ‘I sold only eight millions.’ ‘Sell, sell, sell! do nothing but sell!—only don’t sell to Fisk’s brokers,’ were the orders which Smith himself acknowledges. In the gold-room Fisk’s brokers were shouting their rising bids, and the packed crowd grew frantic with rage and terror as each successive rise showed their increasing losses. The wide streets outside were thronged with excited people; the telegraph offices were overwhelmed with messages ordering sales or purchases of gold or stocks; and the whole nation was watching eagerly to see what the result of this convulsion was to be. All trade was stopped, and even the President felt that it was time to raise his hand. No one who has not seen the New York gold-room can understand

the spectacle it presented; now a perfect pandemonium, now silent as the grave. Fisk, in his dark back office across the street, with his coat off, swaggered up and down, 'a big cane in his hand,' and called himself the Napoleon of Wall street. He really believed that he directed the movement, and while the street outside imagined that he and Gould were one family, and that his purchases were made for the clique, Gould was silently flinging away his gold at any price he could get for it.

"Whether Fisk really expected to carry out his contract, and force the bears to settle or not, is doubtful, but the evidence seems to show that he was in earnest and felt sure of success. His orders were unlimited. 'Put it up to 150,' was one which he sent to the gold-room. Gold rose to 150. At length the bid was made—'160 for any part of five millions,'—'162 for five millions.' No answer was made and the offer was repeated—'162 for any part of five millions.' A voice replied, 'Sold one million at 62.' The bubble suddenly burst, and within fifteen minutes, amid an excitement without parallel even in the wildest excitements of the war, the clique workers were literally swept away and left struggling by themselves, bidding still 160 for gold in millions which no one would any longer take their word for, while the premium sank rapidly to 135. A moment later the telegraph brought the government order from Washington to sell, and the result was no longer possible to dispute. Mr. Fisk had gone too

far, while Mr. Gould had secretly weakened the ground under his feet.

"Gould, however, was saved. His fifty millions were sold; and although no one yet knows what his gains or losses may have been, his firm was now able to meet its contracts and protect its brokers. Fisk was in a very different situation. So soon as it became evident that his brokers would be unable to carry out their contracts, every one who had sold gold to them turned in wrath to Fisk's office. Fortunately for him it was protected by armed men whom he had brought with him from his castle of Erie; but nevertheless the excitement was so great that both Mr. Fisk and Mr. Gould thought it best to retire as rapidly as possible to a back entrance leading into another street, and seek the protection of the opera house. There nothing but an army could disturb them; no civil mandate was likely to be served without their permission within these walls, and few men would care to face Fisk's ruffians in order to force an entrance.

"The subsequent winding up of this famous conspiracy may be stated in few words. But no account could possibly be complete which failed to reproduce in full the story of Mr. Fisk's last interview with Mr. Corbin, as told by Fisk himself. 'I went down to the neighborhood of Wall street Friday morning, and the history of that morning you know. When I got back to our office, you can imagine I was in no enviable state of mind, and the moment I got up street that afternoon I started right around to old

Corbin's to rake him out. I went into the room and sent word that Mr. Fisk wanted to see him in the dining-room. I was too mad to say anything civil, and when he came into the room, said I, 'You damned old scoundrel, do you know what you have done here, you and your people?' He began to wring his hands, and 'Oh!' he says, 'this is a horrible position. Are you ruined?' I said I didn't know whether I was or not; and I asked him again if he knew what had happened? He had been crying, and said he had just heard; that he had been sure everything was all right, but that something had occurred entirely different from what he had anticipated. Said I, 'That don't amount to anything; we know that gold ought not to be at 31, and that it would not be but for such performances as you have had this last week; you know damned well it would not if you had not failed.' I knew that somebody had run a saw right into us, and said I, 'This whole damned thing has turned out just as I told you it would.' I considered the whole party a pack of cowards, and I expected that when we came to clear our hands they would sock it right into us. I said to him, 'I don't know whether you have lied or not, and I don't know what ought to be done with you.' He was on the other side of the table, weeping and wailing, and I was gnashing my teeth. 'Now,' he says, 'you must quiet yourself.' I told him I didn't want to be quiet. I had no desire to ever be quiet again, and probably never should be quiet again. He says, 'But, my dear sir, you will lose your reason.'

Says I, 'Speyers' (a broker employed by him that day) 'has already lost his reason; reason has gone out of everybody but me.' I continued, 'Now what are you going to do? You have got us into this thing, and what are you going to do to get out of it?' He says, 'I don't know. I will go and get my wife.' I said, 'Get her down here.' The soft talk was all over. He went up stairs and they returned, tottling into the room, looking older than Stephen Hopkins. His wife and he both looked like death. He was tottling just like that. (Illustrated by a trembling movement of the body.) 'I have never seen him from that day to this.'

"This is sworn evidence before a committee of Congress, and its humor is perhaps the more conspicuous because there is every reason to believe that there is not a word of truth in the story from beginning to end. No such interview ever occurred, except in the unconfined apartments of Mr. Fisk's imagination. His own previous statements make it certain that he was not at Corbin's house at all that day, and that Corbin did come to the Erie offices that evening and again the next morning. Corbin himself denies the truth of the account without limitation; and adds that when he entered the Erie offices the next morning, Fisk was there. 'I asked him how Mr. Gould felt after the great calamity of the day before.' He remarked, 'Oh, he has no courage at all. He has sunk right down. There is nothing left of him but a heap of clothes and a pair of eyes.' The internal evidence of truth in this

anecdote would support Mr. Corbin against the world.

“In regard to Mr. Gould, Fisk’s graphic description was probably again inaccurate. Undoubtedly the noise and scandal of the moment were extremely unpleasant to this silent and impenetrable intriguer. The city was in a ferment, and the whole country pointing at him with wrath. The machinery of the gold exchange had broken down, and he alone could extricate the business community from the pressing danger of a general panic. He had saved himself, it is true; but in a manner which could not have been to his taste. Yet his course from this point must have been almost self-evident to his mind, and there is no reason to suppose that he hesitated.”

“His own contracts were all fulfilled. Fisk’s contracts all except one, in respect to which the broker was able to compel a settlement, were repudiated. Gould probably suggested to Fisk that it was better to let Belden fail, and to settle a handsome fortune on him than to sacrifice something more than \$5,000,000 in sustaining him. Fisk, therefore, threw Belden over, and swore that he had acted only under Belden’s order. One of the first acts of the Erie gentlemen after the crisis was to summon their lawyers and set in action their judicial powers. The object was to prevent the panic-stricken brokers from using legal process to force settlements and to render the entanglement inextricable. Messrs. Field & Shearman came and

instantly prepared a considerable number of injunctions, which were sent to their judges, signed at once, and immediately served. Gould then was able to dictate the terms of settlement, and after a week of complete paralysis, Broad street began at last to show signs of returning life.

“The fate of the conspirators was not severe. Mr. Corbin went to Washington, where he was snubbed by the President, and at once disappeared from public view, only coming to light again before the congressional committee. General Butterfield, whose share in the transaction is least understood, was permitted to resign his office without any investigation. Speculation for the next six months was at an end. Every person involved in the affair seemed to have lost money, and dozens of brokers were swept from the street. But Mr. Jay Gould and Mr. James Fisk, Jr., continued to reign over Erie, and no one can say that their power or their credit was sensibly diminished by a shock which, for the time, prostrated all the interests of the country.”

## CHAPTER X.

### GOULD AND THE WESTERN RAILWAY SYSTEMS.

AFTER Mr. Gould was ousted from Erie, he entered into that career of acquisition which made him the master of several of the most important railroads in the United States, of the Yale system of telegraph and of the chief line of transportation in New York city. In nearly all his railroad operations he repeated, to a greater or less extent, his career in Erie. His scheme was to buy up cheap and bankrupt roads, reorganize them, issue new stock and bonds, unload on some other road, or else, by the payment of dividends, get the public interested in the property and sell at big profits. Or he would reverse the operation and take a great property and squeeze it like a lemon. His career in Union Pacific comes naturally first in order. For ten years he was master of this great system which, with the Central Pacific, constitutes the first and most important of the lines leading to the Pacific coast. His record in this road has been a matter of official investigation, and this part of Mr. Gould's history, as well as that of the Erie and Black Friday periods, is based on sworn testimony. But first, it is but fair that Mr. Gould's own account of his connection with Union Pacific, as stated in his testimony before the Senate



GOULD BEFORE THE CONGRESSIONAL COMMITTEE.



Committee on Labor and Education, should be given. Having omitted all mention of Erie Mr. Gould said:

"I then went into the Union Pacific road. I met Horace Clark and Augustus Schell out West, and they gave me so good an account of the road that I concluded I would buy in it. I telegraphed to New York an order to buy at a certain price. When Mr. Clark got home he was taken ill, and as soon as his brokers learned that his illness was to be fatal, they sold out his stock. That broke the market and filled orders which I had sent at a price lower than I ever expected. When I got home I found myself the owner of a large amount of this property, and at once inquired into its condition. I learned that it was saddled with a large floating debt, and that there were ten million dollars of bonds coming due within a month. It was in rather a blue condition. The directors were consulting who should be the receiver. I made up my mind that I would carry it through, and I told them that if they would furnish half of the money to pay the debt, I would furnish the other half. The stock went down to 15. It was a large loss, but still I kept right on buying, so when the turn came there did not seem to be any top to it. It went up to 75, and I immediately went to work to bring the road up. I went out over it, started coal mines, and to the surprise of everybody it soon began to pay dividends and has never passed a dividend since.

"Well," continued Mr. Gould, "when this road be-

gan to be a financial success and developed other ways there arose quite a clamor, and it was said to be Jay Gould's road, as though it were a dangerous thing to have one man control a road. I thought that it was better to bow to public opinion, so I took the opportunity when I could to place the stock in the hands of investors. In the course of a very few months, instead of owning control of the road I was entirely out of it, and the stock was 20 per cent. higher than I had sold it for. Instead of being thirty or forty stockholders, there were between six and seven thousand, representing the savings of widows and orphans. There were also a great many lady stockholders. That was about four years ago, after Congress enacted very harsh legislation, after they had broken the bargain they had made to get the road through in its early stages."

"You refer to the Thurman act?" asked the chairman.

"Yes, and that closed my connection with the Union Pacific road."

This is a very beautiful picture and it makes out Mr. Gould to be a most public-spirited and generous man—one ready to sacrifice his own interests in obedience to the demand of public opinion. But, having looked on this picture, look upon that drawn by the Pacific Railroad Commission, appointed by President Cleveland in 1887, and composed of ex-Gov. Pattison, of Pennsylvania; E. Ellery Anderson, of New York, and David Littler, of Illinois. The commission made two reports, agreeing

substantially, only that of ex-Gov. Pattison was more severe in its conclusions.

In the majority report, by Messrs. Anderson and Littler, the purchase of a controlling interest by Jay Gould in 1873, the subsequent increase in the capital stock to 200,000 shares, the inauguration of the policy of constructing branch lines in 1877 and the commencement of the action by the United States against the directors of the Union Pacific for misappropriating the assets of the company were detailed and the report went on to say: "It appears from the minutes of the company that while this litigation was pending certain proceedings were taken by the directors, whereby by their own acts and votes they undertook to release themselves from any obligations or liabilities to the company." The Kansas Pacific's financial operations from 1864 to 1880 were also taken up and the circumstances leading up to its consolidation in the Union Pacific system were detailed at great length. The acquisition by Jay Gould in 1877, at nominal figures, of several millions of securities of the Kansas Pacific was spoken of, and the reorganization of that company under the control of Gould was detailed and the methods severely condemned. The effect of the consolidation was to increase the stock of the Union Pacific from \$38,000,000 to \$50,000,000, and the bonded indebtedness from \$88,000,000 to \$126,000,000, and the other indebtedness from \$4,000,000 to nearly \$10,000,000. It was declared that "the three years following the consolidation were years of great busi-

ness activity, and the receipts of the Union Pacific for 1880, 1881, 1882 and 1883 were largely increased," but "in the face of a very large and apparently profitable business" the company found itself early in 1884 on the verge of bankruptcy." Competition, the burden of its fixed charges, the extravagant sums paid for branch railroads of little or no earning power bought by Mr. Gould, and the "lavish and reckless distribution of the assets of the company in dividends, all combined to produce this result." After stating that Gould's connection with the road ceased in 1883, the report says: "It is with a sense of great relief that the commission turns from the history of this company from 1873 to 1883 [the period of Gould's control—Ed.] to the conservative, energetic and intelligent management that has characterized the management from the opening of 1884 to the present time."

Ex-Gov. Pattison, in his report, said:

"The Union Pacific company has received \$176,294,793.53 in surplus earnings and land sales during eighteen years, and if its stock had been fully paid, as Congress required that it should be and as its officers certified under oath that it was, nearly all of that money would be applicable to-day to the payment of the government debt. The company has paid out \$28,650,770 in dividends, and \$82,742,850 in interest on bonds, nearly all of which were distributed to shareholders without consideration. It has sunk over \$10,000,000 in Denver, South Park and Pacific; it paid out \$10,000,000 to Jay Gould and his

associates for branch lines and other investments which were worthless, and which were unloaded upon the Union Pacific because of the faithlessness of the management of the company. The gross mismanagement of the Union Pacific and the other Pacific railroads has injured the credit of foreign investors to such an extent that hundreds of millions of dollars, which otherwise would have been sent here for investment and aided in the development of the country, have been locked up abroad."

Every line of this indictment is directed at Gould. Yet Charles Francis Adams, the author of "A Chapter in Erie," and who became president of the Union Pacific about the time Gould retired, told the commission that he believed from careful scrutiny that Mr. Gould had always been more than fair to the company. But the commission, with all the facts before it, rejected his view of the case.

When Mr. Gould secured possession of the Union Pacific, Sidney Dillon was president of it, and they with other large stockholders agreed upon a plan to fund the floating debt in bonds, of which Mr. Gould took \$1,000,000. Mr. Gould remained in practical control of the property until about 1880, when public opinion clamored for a change, and as Mr. Gould said to one of the numerous investigating committees before which he was called upon during his busy life to testify: "I bowed to public opinion. I let outside parties in and soon, instead of thirty or forty stockholders, there were 6,000 or 7,000." Mr. Charles Francis Adams succeeded Sidney Dillon as presi-

dent, and in a short time an astonished public beheld the spectacle of the author of the scathing "Chapter of Erie" standing sponsor for the man he had denounced. Mr. Gould managed to persuade Mr. Adams to view the future of Union Pacific through his (Gould's) eyes, and in consequence Mr. Adams unconsciously assisted Mr. Gould in disposing of large blocks of the stock to good advantage. In 1891 Mr. Gould again got control of the Union Pacific road, owing to peculiar Wall street conditions, and he calmly turned Mr. Adams out of the presidency and put Sidney Dillon back there.

"In 1876 Mr. Gould began buying Kansas Pacific stock because it was cheap. At that time stock speculators did not regard the stock as being worth anything. Mr. Gould, however, was looking away ahead, and he bought largely of Denver Pacific securities and stock and bonds of the St. Joe and Western, the Kansas Central, and Central Branch roads. All of these securities he got at a very low price, and he realized an enormous profit when they were all turned in under the famous Union Pacific consolidation scheme in 1880. For his Central Branch stock alone he received \$239 per share. Mr. Gould was one of the first to suggest the consolidation of the Kansas Pacific and its subsidiary roads with the Union Pacific. He employed Solon Humphreys and Gen. Dodge to go West, look over the situation, and make a report on the practicability of the consolidation.

In 1879 a consolidated mortgage was issued by the Kansas Pacific to wipe out the innumerable se-

curities bearing different rates of interest which were then burdening the road. Jay Gould and Russel Sage were then directors of both the Union and the Kansas Pacific roads, and they were made trustees of this mortgage. Among the assets covered by this mortgage were 30,000 shares of the Denver Pacific railroad, then of little value, but which, under the plan of consolidation which Gould was then maturing, would become of great value. Sidney Dillon, who was associated with Gould and Sage in all three roads, asked them to release these stocks from the lien of the mortgage. Gould and Sage sat down at the same desk at which Dillon had written this modest request, and wrote suggesting that an action should be brought against them in the courts for the release of the stock. The action was immediately brought before Judge Donohue, to which Gould and Sage made no defense. Dillon testified that the stock was worth only \$200,000 or \$300,000. The order was given, the stock released, and the day after the consolidation was effected which made the stock worth its face value, or \$3,000,000.

Stoop & Rens, of Amsterdam, claiming to be holders of the bonds, brought the charge against Mr. Gould and Mr. Sage that they had, without consulting with the other bondholders, appropriated to themselves the trust asset of \$3,000,000.

This revelation was made October 17, 1877, and an effort was made to secure the indictment of Messrs. Sage and Gould. It was a matter which at once attracted the widest interest. District

Attorney Martine was asked to send the complaints before the Grand Jury, but pending any action on his part, Mr. Gould started on a trip abroad on his yacht *Atalanta*. Then followed probably the longest rest and only complete rest Jay Gould ever enjoyed from the time he took up and pushed through the abandoned survey of Ulster county in 1852.

He went first to Gibraltar, then to Marseilles, cruised along the Mediterranean, going to Egypt and Italy. While he was absent the legal war against him at home continued. His enemies in the Kansas Pacific still clamored for his indictment; the commissioners appointed by President Cleveland to investigate the affairs of the Pacific railroads made a thundering report against the management of those corporations, showing that they had received in aid from the government the sum of \$447,000,000. Congressman Anderson offered a resolution in the House of Representatives recommending that suit be begun against Mr. Gould and others to enforce the Thurman act.

In March, 1888, the Grand Jury failed to indict, and on that very day Mr. Gould was complacently strolling about the streets of Algiers. Three weeks later Mr. Gould landed from his yacht at Jacksonville, Fla., and in a very short time he was at his desk looking after his great financial interests and manipulating the stock market.

On his return he attacked his prosecutors with a virulence which he had never displayed before, and filled the columns of the newspapers with interviews.

In one of these he declared that the attack upon him was the result of a conspiracy and blackmail, and that the powers behind the criminal proceedings were "a newspaper" (meaning the *Herald*), "a cable company" (referring to the Mackey-Bennet Company), "and a woman." The latter was understood to be the wife of an officer of one of Mr. Gould's railroads who had brought suit for divorce. This bringing of a woman into the case created a great sensation. A few days later Gould made a bitter personal attack on James Gordon Bennet, of the *Herald*, calling in question his personal and social character, and reciting incidents unfit for publication. This was the first time in his life that Gould appeared to be thoroughly "rattled;" the first time that he let down the curtain of mystery with which he had so long covered himself, and the first time that he broke that silence which was his best weapon.

This is a good place to quote from Gould's testimony before the Pacific Railroad Commission, as it gives an insight into his theory of railroad operations.

"I consider," he said, "the past a good thing to judge a road by, but the future more. I have been all my life dealing in railroads; that is, since before I came of age. I always bought on the future; that's how I made my money. The bonds on the first road I bought were down to ten cents. I built up the road and sold them for \$125. That's the reason I went into the Kansas Pacific and the Union

Pacific. But I saw the Kansas Pacific was going to develop faster than the Union Pacific."

Mr. Gould's railroad operations were entirely too numerous to be followed in all their details, especially as enough has already been given to indicate the character of his enterprises. But no life of Mr. Gould would be complete without an account of his connection with Wabash. On this road, however, he simply repeated, though to a less degree, his tactics in Erie, and the result is a corporation almost hopelessly burdened with enormous obligations.

In the *North American Review* of February, 1888, will be found a full history of this unfortunate road. The writer says that "Mr. Gould remains the leading figure in the chapter of Wabash as he was of Erie." There is, he says, a "relative disappearance of the special forms of judicial usurpation and misconduct which lent such a lurid aspect to Mr. Adams' story, and in their place will be noted one sweeping judicial act followed by two or three supplementary acts which accomplished the designs of the actors with complete effectiveness." Gould gained control of the road in 1879 and became president in 1881. The writer of the *Review* article sums up the history of Wabash as follows:

"The Wabash system arose from the absorption and consolidation of sixty-eight separate original corporations; when thus consolidated the system owned and controlled in 1883 about 4,814 miles of railroad in the six states of Ohio, Michigan, Indiana,

Illinois, Missouri and Iowa; its capital stock was increased between 1877 and 1883 from \$40,000,000 to \$50,174,700; its funded or mortgaged debt was increased during the same period from \$20,311,570.60 to \$76,394,075; three quarterly 'dividends' were paid on the entire preferred stock in 1881—the year after the issue of the general mortgage in 1880—amounting to \$1,036,529; within two years and a half after these 'dividends' the company made default on the interest of all its mortgaged debt; in May, 1884, the entire property was, on the application of the debtor company alone, secretly placed in the hands of Humphreys and Tutt, two of its former directors and officers, men without any special qualifications for railroad management, and who had been part of the directorate which had brought the system to bankruptcy; immediately after the appointment of Humphreys and Tutt, the Circuit Court of the eastern district of Missouri directed the issue of \$2,300,000 of receiver's obligations to 'protect' the indorsements of Wabash notes by Gould, Dillon, Sage and Humphreys; the same court, six days later, directed the further issue of \$2,000,000 of receivers' certificates—made a first lien on all the Wabash property—to pay so-called Wabash indebtedness, which by the terms of its lease to the Iron Mountain, which had been, in turn, leased to the Missouri Pacific, was the indebtedness of the Missouri Pacific; as the result of two years and a half of this receivership, there was paid out of the receivers' earnings, on account of liabilities incurred prior to the receivership, \$3,260,-

519.23, leaving \$500,000 still due; as the grand result of the receivership of Humphreys and Tutt, interest has accrued to the amount of \$4,390,000, all due and unpaid, and of receivers' obligations, \$3,200,000, a total during two years and a half of \$7,590,000, with \$290,000 of cash in hand. The property being sold to a purchasing committee, of which the chairman, Joy, was a former Wabash director, and another member, Ashley, was the secretary of the receivers, a demand was made of the prior mortgage bondholders to fund into new Wabash bonds their past due interest and to reduce the interest on their bonds for the future from 6 and 7 per cent. to 5 per cent. Upon application of prior mortgage bondholders the United States Circuit Court at Chicago removed Humphreys and Tutt for misconduct as receivers and appointed a new and separate receiver for the Wabash lines east of the Mississippi river."

This removal was upon order of Judge Gresham, who has made such a high reputation as a judge who can be depended upon not to be easily influenced in favor of corporations. This order was called at the time "one of the bravest acts in the history of justice." On rendering decision he spoke in terms of great severity of the managers and the Gould receivers, and appointed in place of the latter Judge Cooley, who was afterward made railroad commissioner by President Cleveland. In commenting on this decision, Gould defended himself by attacking Gresham, who he declared was suffering from a severe attack of "the presidential fever."

The Gould purchase of the Missouri Pacific railway has a refreshing novelty in it on account of the manner in which it was bought. The road was owned in 1880 by Commodore Garrison, who was not friendly to Mr. Gould. The latter sent Russell Sage to find out how much the commodore would take for his interest in the Missouri Pacific. The commodore said that \$2,000,000 would be about right. Sage offered \$1,500,000 and Garrison shook his head brusquely. The next day Sage returned and offered to close the bargain at \$2,000,000. "No," said the commodore, "the price has advanced to \$2,800,000."

"Pooh, pooh!" said Sage, and he went back and reported to Mr. Gould. The next day Gould went himself and told Garrison that he would take his stock at \$2,800,000. The commodore replied that the stock had advanced in price to \$3,800,000, and it would continue to go up \$1,000,000 a day. Gould closed the bargain on the spot, giving Garrison his check for \$3,800,000. The Missouri Pacific stock subsequently became very much depressed in the stock market, and a great many weak stockholders were obliged to let go. Gould was always ready to buy. After a while he consolidated the Missouri Pacific with the Iron Mountain and the International and Great Northern, and Missouri Pacific stock went up rapidly. The Iron Mountain was a first-class money-earning road. This consolidation gave Mr. Gould a southwestern railroad system of more than 5,000 miles, which he subsequently extended largely.

Gould's testimony in regard to this portion of

his career, before the Senate committee, was as follows:

“The next great enterprise, if I may call it great, that I engaged in was the Missouri Pacific. I bought it one day of Commodore Garrison, or rather the control of it. I had a very short negotiation with him; he gave me his price, just as we are talking here, and I said: ‘All right; I will take it,’ and I gave him a check for it that day. At that time I did not care about the money made; it was a mere plaything to see what I could do. I had passed the point where I cared about the mere making of money. It was more to show that I could make a combination and make it a success. I took this road and began developing it, bringing in other lines which should be tributary to it. I developed new parts of the country—opened up coal mines, etc., and continued until, I think, we have now 10,000 miles of road.

“When I took the property it was earning \$70,000 a week. I have just got the gross earnings for the last month, and they amount to \$5,100,000, and we have accomplished that result by developing the country; and while we have been doing this we have made the country rich, developing coal mines and cattle-raising, as well as the production of cotton. We have created this earning power by developing the system. All this 10,000 miles is fully built. The roads pass through the states of Ohio, Illinois, Michigan, Iowa, Missouri, Kansas, Nebraska, Arkansas,

Texas, Louisiana and the Indian Territory, and we go into Mexico."

"Are there other railroad enterprises that you are connected with?"

"I am director in various roads, but I put my whole strength into this system. I don't like to scatter around."

"What you do you do well, or try to?"

"I certainly try to do all things well."

"What other business enterprises of the country have you now or formerly had connection with?"

"I am a director in the Chicago and Northwestern road, Chicago and Rock Island, Delaware, Lackawanna and Western, New York and New England and a good many other small roads."

Mr. Gould's Southwestern system, of which he speaks in terms so glowing, was composed of the Missouri Pacific, that was the main stem, and grafted onto it was the Wabash, of which an account has already been given; the Missouri, Kansas and Texas; the St. Louis and Iron Mountain, and the Texas Pacific. The directors of all the roads were substantially the same, Mr. Gould being the president, and his son George, Russell Sage, A. L. Hopkins and others of his intimate associates being the directors. The most striking feature about the management of these roads is that while all the others were driven into bankruptcy, or to the verge of it, the Missouri Pacific was made a big dividend-paying property. Mr. Gould attributed this to the comparatively small indebtedness of the Missouri Pacific,

making it, in his own language, "the snuggest property on the continent;" but his enemies attributed the fact to another reason, namely, Mr. Gould's own management, by which he was alleged to have starved the other properties to feed the Missouri Pacific. His holdings of the latter's stock were immense, while his pecuniary interest in the others was comparatively small; indeed, he held but a few hundred shares of Missouri, Kansas and Texas, though its president. His purpose was evidently to swell the earnings of the Missouri Pacific to such an extent that he could declare big dividends and sell his stock at high figures. He succeeded in pushing the price up to 112 in May, 1887, but it subsequently fell to  $70\frac{1}{4}$  in March, 1888. The lack of public confidence in Gould's railroad methods is strikingly exhibited in the fact that though Missouri Pacific paid 6 to 7 per cent. annual dividends, Gould found it almost impossible to keep the price at par except by the pegging process, while other equal dividend-payers brought from 110 to 130 in the market without manipulation. The same fact was also strikingly exhibited in Western Union, which paid dividends, but sold at from 70 to 80.

Finally the stockholders of the Missouri, Kansas and Texas became indignant at the destruction of their property. Much of the stock was held abroad and was only worth \$13 to \$15 per share of \$100. They engaged E. Ellery Anderson, the same who had been a member of the Pacific Railroad Commission, and Simon Sterne, who had been the counsel

for the Hepburn Committee, to represent them, and in connection with such Wall street men as W. L. Bull, shortly after elected president of the Stock Exchange, they hurled the Gould management from power. They publicly charged Mr. Gould with having used the road simply as a feeder to the Missouri Pacific. Mr. Gould succeeded, at least in part, with his plans in regard to Missouri Pacific, and is understood to have marketed a large block of his holdings in 1888. Shortly after that the road reduced its dividend and had to borrow money to pay it.

One of the most memorable events connected with Gould's management of the Missouri Pacific was the great Knights of Labor strike in 1885, which disabled the road for a long time. An interesting feature of the strike was a Sunday conference at Mr. Gould's house between him and General Master Workman Powderly, at which negotiations for a settlement were entered into. The foremost representatives of capital and labor thus met to settle vital questions at issue affecting the wealth of the capitalists and the livelihood of the workingmen. Mr. Gould said to the Senate Committee on Labor and Education:

"I have been all my life a laborer or an employer of laborers. Strikes come from various causes, but are principally brought about by the poorest and, therefore, the dissatisfied element. The best workers generally look forward to advancement in the ranks or save money enough to go into business on their

own account. Though there may be few advanced positions to be filled, there is a large number of men trying to get them. They get better pay here than in any other country, and that is why they come here. My idea is that if capital and labor are let alone they will mutually regulate each other. People who think they can regulate all mankind and get wrong ideas which they believe to be panaceas for every ill, cause much trouble to both employers and employes by their interference."

To the Congressional Committee which investigated the Missouri Pacific strike he said: "I am in favor of arbitration as an easy way of settling differences between corporations and their employes."

## CHAPTER XI.

### GOULD AND THE TELEGRAPH MONOPOLY.

THE manipulation of values and the methods of running the railroad and telegraph systems of the United States effect more nearly the personal interests of every individual than do any of the other great enterprises of the country. It is for that reason that Jay Gould's actions in his railroad properties and his telegraph companies are such an important factor of interest in the events of his life.

Mr. Gould's connection with the Western Union Telegraph Company began in the early part of 1881. For a number of years, with the aid of the American Union and the Atlantic and Pacific telegraph companies, which he controlled, he was able to advance and depress the stock of the Western Union at will. He was simply playing a great game with his larger rival and waiting the chance when he would take possession and unite all the lines.

One example of Mr. Gould's finesse in connection with the Western Union will show his methods. By 1880 his American Union company had become a constant menace to the other company. Rates to every competing point had been cut, and his lines reached to the Pacific. Western Union at one period was up to 116. The wires of the Western Union

were taken from the lines of the Union Pacific and other great railroad systems controlled by Mr. Gould and those of the American Union were substituted. The stock of the older corporation fell to 88. It was said at the time that Mr. Gould was short 30,000 shares of Western Union, and if that was so he made \$840,000.

But in 1881 Mr. Gould and his associates had practically secured control of the Western Union. It was proposed to sell and transfer the entire assets and property of the American Union and the American and Pacific to the Western Union directors. Rufus Hatch, as a stockholder of the American Union, obtained an injunction restraining the consolidation, but on February 4, 1881, Judge Barrett refused to continue the injunction, and by the time he had concluded his opinion the papers were drawn up, the consolidation was ratified by the directors of the three companies, and almost before the country knew it there was one telegraph company where there had been three before.

The stock of the Western Union Telegraph Company was at once "watered" \$40,000,000, or thirty-seven per cent. and Mr. Gould became the leading spirit in that company, directing its affairs from his offices, which were in that building.

Nothing Mr. Gould ever did in his life so arrayed public sentiment against him as this creation of the telegraphic monopoly. Eventually the Western Union acquired the Baltimore and Ohio telegraph, which Robert Garrett was glad to sell in order to get

money to help the Baltimore and Ohio railroad out of the difficulties into which it had fallen.

Repeated efforts were made by the stockholders of the American Union to secure the interference of the attorney-generals of various states, but the consolidation stood. In May, 1882, the Western Union secured control of all the European cables, and no little comment was aroused soon thereafter when it was charged that Mr. Gould was making an effort to secure control of the New York Associated Press, or, at least, of the news which it sent out. He was reputed to control at that time three of the seven newspapers constituting the corporation, and something of a sensation was caused by the charge. The Western Union's control of the cables became so absolute that the Mackay-Bennett cables were laid and gave a competing service to Europe, which was afterward largely extended to other parts of the world.

In probably no other country of the world would one man be permitted to control its telegraph system. But Gould became the absolute dictator of the Western Union and successfully overcame every competitor that arose. His record in Western Union, like that in his other properties, is that of a tremendous increase of securities. Like the wicked milkman, Gould always skimmed off the cream and poured water into all his properties. The comic papers delighted to picture him with a watering-pot in his hand.

The mainspring of the Western Union is mo-

nopoly. Its condition is such that it cannot exist with profit to its stockholders with a strong competition in the field. Thus it is a grand aggregation of small companies. It has absorbed and will probably continue to absorb every rival in the field. Gould himself rode into control on the back of a competing company. This was early in 1881. His version of the story is given in his testimony to the Senate Committee on Labor and Education.

"I am interested in the telegraph," he told the committee, "for the railroad and telegraph systems go hand in hand, as it were, integral parts of a great civilization. I naturally became acquainted with the telegraph business and gradually became interested in it. I thought well of it as an investment, and I kept increasing my interests. When the Union Pacific was built I had an interest in a company called the Atlantic and Pacific, and I endeavored to make that a rival to the Western Union. We extended it considerably, but found it rather uphill work. We saw that our interest lay more with the Western Union. Through that we could reach every part of the country, and through a small company we could not; so we made an offer to sell to Western Union the control of the Atlantic and Pacific. At that time a very dear friend of mine was the manager, and I supposed that he would be made the manager of the Western Union; but after the consolidation was perfected it was not done, and I made up my mind that he should be at the head of as good a company as I had taken him from. The

friend was Gen. Eckert, and for him I started another company, the American Union—and we carried it forward until a proposition was made to merge it also into the Western Union. As the stock of the latter went down, I bought a large interest in it, and found that the only way out was to put the two companies together. Gen. Eckert became general manager of the whole system. Meantime, I bought so much of its property and its earning power that I have kept increasing my interest. I thought it better to let my income go into the things that I was in myself, and I have never sold any of my interests, but have devoted my income to increasing them. This is the whole history of it.”

This beautiful account of Gould's devotion to a friend, to the extent of starting a telegraph company for him, does not, however, tell the whole story. Gould's policy in regard to the American Union was twofold. It was to establish a competing company so strong that the Western Union would have to absorb it, or else it would absorb the Western Union. The result was that the Western Union did absorb the American Union and Gould absorbed the Western Union! By the aid of his rival company Gould kept hammering at the stock of the Western Union, then controlled by Vanderbilt. By every art known to Wall street speculation he forced the price down as low as he could. He sold the stock “short” in large amounts, and in buying to cover bought enough additional to place him in control. Then he consolidated the two companies and 100,000

shares of American Union, which represented a comparatively small outlay of capital on the part of Gould, went into the Western Union at par and Gould's immense holdings of Western Union were thus acquired at a low figure. Of course, if he had attempted to market his holdings in one lump his profits would have been wiped out, but by carrying the load and letting the stock out by dribblets his profits were large, even if he sold under the market price, which was nearly always below par. On Jan. 11, 1881, it became known in Wall street that the consolidation was probable and the price of Western Union rose from 78 to 103 and the next day to 114½. The consolidation increased the capitalization of the Western Union to \$80,000,000, and this amount has increased later by the capitalization of scrip dividends and by the acquisition of the Baltimore and Ohio telegraph. After Gould became the master of the system the Mutual Union was started as a rival concern. Gould soon gobbled it up and leased it to the Western Union. Then Robert Garrett developed the wires owned by the Baltimore and Ohio railroad into a competing telegraph system, and under the management of Mr. Bates, who had formerly been with Gould in American Union and Western Union, it became a big system, stretching far west and south. But Garrett soon got into deep waters. He had not the genius of his father, the famous John W. Garrett, and a struggle with Gould was beyond his strength. The Baltimore and Ohio railroad, nominally a Gibraltar

of strength, was intrinsically weak. Garrett entered into negotiations to sell a controlling interest in the property. His desire was to place it in hands hostile to Gould, but the latter used his power in the stock market to frustrate his plans. Garrett contracted to deliver the control to Henry S. Ives, a young speculator who was modeling his life after the Gould pattern, but in the end Garrett was not able to deliver, nor was Ives able to receive. The B. and O. system was dismembered, and the telegraph fell into Gould's hands. Gould had previously announced to the public that "the Western Union does not intend to buy any more rival telegraph companies," but when he found he could get the B. and O. cheap, a little declaration of that kind did not stand in the way. In fact it was intended only to mask his intention to buy.

Gould drew around him in Western Union a powerful body of men. His board of directors included Norvin Green, Harrison Durkee, Alonzo B. Cornell (who when governor of the state from 1880 to 1883 posed as an anti-Gould and anti-monopoly governor), Cyrus W. Field, Robert L. Kennedy, Hugh J. Jewett (whose testimony in regard to Erie has already been quoted), J. Pierpont Morgan, of Drexel, Morgan & Co.; C. P. Huntington, R. C. Clowry, Henry Weaver, Erastus Wiman, of R. G. Dun & Co.; John Jacob Astor, Frank Work, George B. Roberts, president of the Pennsylvania railroad, the leading railroad system of the world; George D. Morgan, John Hoy, W. D. Bishop and J. W. Clen-

denin. The management, however, was in the hands of an executive committee composed of Gould's immediate associates. The Western Union, besides its land system, owns ocean cables and has a big interest in the telephone and stock "ticker" systems, and Gould's power as the master of this company can scarcely be estimated.

It is believed that Mr. Gould's real ambition, so far as concerned the Western Union, was to sell it to the government. But so long as the country believed that Jay Gould desired to sell there could be no public opinion aroused in favor of purchasing it. So Gould, if such was his real desire, masked his purpose behind a display of indifference or opposition, in the hope that if it was thought he did not wish to sell the country would be all the more eager to buy. Thus he told the Committee on Labor and Education:

"I think the control by the government is contrary to our institutions. The telegraph system, of all other business, wants to be managed by skilled experts, while the government is founded on the idea that the party in power shall control the patronage. If the government controlled it the general managers' heads would come off every four years and you would not have any such efficient service as at present. The very dividend of the Western Union is based upon doing business well, keeping her customers and developing her business. If the Democrats were in power there would be a Democratic telegraph; if the Republicans came into power

there would be a Republican telegraph, and if the reformers came in I don't know what there would be. (Laughter.) I think it would be a mere political machine. I would be perfectly willing, so far as I am concerned, to allow the government to try it, to sell out our property, but it would be very unjust to take it away, the property of our own citizens, and make it valueless."

"Have you any idea what the government ought to pay?"

"I think that it ought to pay what it is worth and no more. I think that the method that was provided in the law is a very just one, and I would be perfectly willing to let the government take it on those terms."

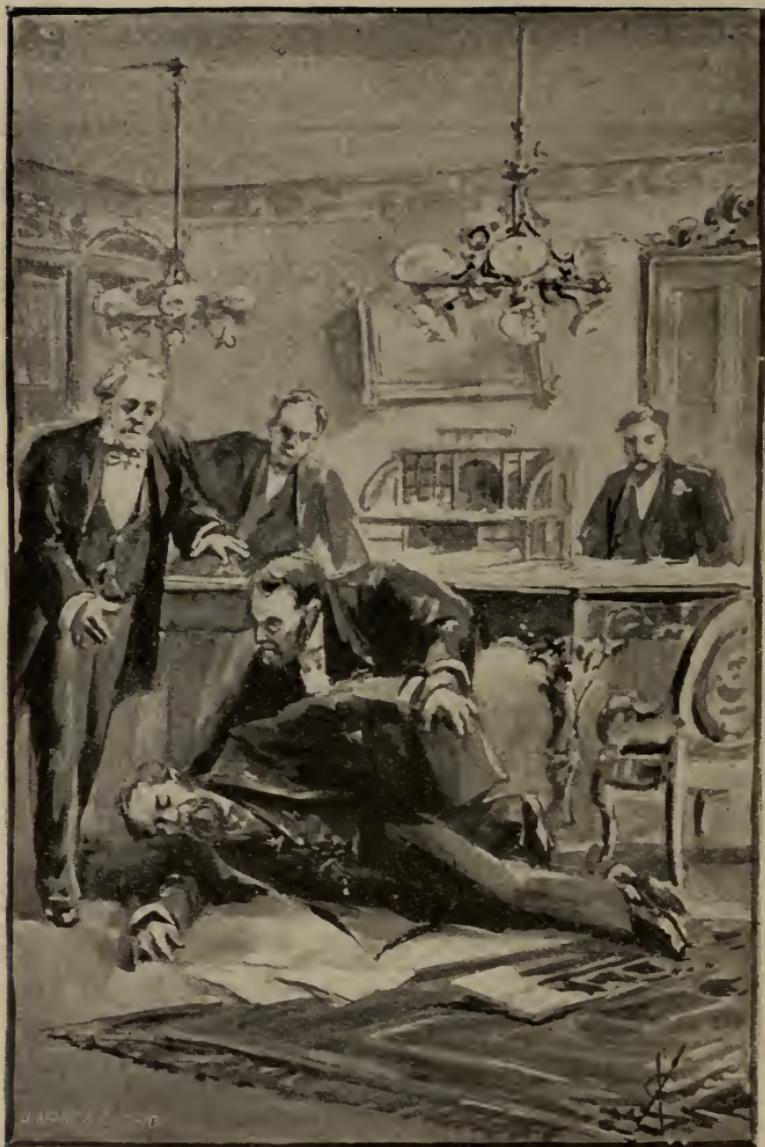
"What, in your opinion, is the Western Union property worth?"

"Well, I judge of property myself by its net earning power; that is the only rule I have been able to get. If you show me a property that is paying no more than the taxes, I don't want it. I want property that earns money. You might say that there is water in Western Union, and so there is. There is water in all this property along Broadway. This whole island was once bought for a few strings of beads. But now you will find this property valued by its earning power, by its rent power, and that is the way to value a railroad or a telegraph. So it is worth what it earns now, a capital that pays seven per cent."

“That would be \$100,000,000?”

“Yes, and it is worth much more than that, because there are a great many assets.”





GOULD FAINTING AT DIRECTORS' MEETING IN RUSSELL SAGE'S OFFICE.

## CHAPTER XII.

### GOULD AND THE MANHATTAN ELEVATED.

JAY GOULD was not an originator of systems. Others with ideas secured charters, began railroads and other schemes, and then, when money was needed, Gould would step in and profit by their energies by purchase at low figures. This was never more forcibly illustrated than by his connection with the elevated railroad system of New York City.

He had nothing to do with their construction. In fact, Gould's name is unidentified with any great public undertaking original with himself. Other men planned and built. He grabbed. He did, it is true, start a telegraph company, and put up poles and wires, but it was only as a part of his plan to capture a system already constructed. So the elevated roads—the measurable solution of the problem of rapid transit in the metropolis and an inestimable boon to the city—are not due to the foresight, pluck and energy of Gould. Other men were the pioneers, but they were driven to the wall and forgotten, while he plucked the fruits of their labors.

Gould, naturally enough, came into control of this great system, which carries 600,000 passengers every day, through a consolidation and the "water-

ing" of stock. There were three elevated roads—the Metropolitan (formerly the "Gilbert," named after its originator, Dr. Gilbert), of which S. H. Kneeland was president; the second, the New York, of which Cyrus W. Field was president and of which Samuel J. Tilden was once a heavy stockholder, and the third, the Manhattan, of which Jay Gould and Russell Sage were the owners. The Metropolitan and the New York were bona-fide companies, actually owning railroads and rolling stock, but the Manhattan was a "paper" company, having a nominal charter and an organization, but not one inch of road. Yet these three companies were consolidated on equal terms, and Gould, Sage and Field became the owners. Later the control narrowed down to Gould and Sage.

Sage, Field and Kneeland are remarkable characters in Wall street history, and their names are intimately identified with Gould's—Sage and Field as associates, and Kneeland as an unpurchasable opponent. Russell Sage is one of the richest men of his generation. He came originally from Troy, where he ran a bank, and whose district he represented in Congress, before the war, for one or two terms. Then he entered Wall street. His great distinguishing trait was avarice. He worshipped the mighty dollar. Money-getting was his passion—not for the power and luxury which money can purchase, but for the mere pleasure of acquisition. He lived, it is true, on Fifth avenue, and gave somewhat to charity, but his habits were economical

almost to the point of penuriousness, and once a dollar got into his hands it did not easily slip through them. It should be said of him, however, that he was as careful of other people's money as of his own. This was the man who for many years was Gould's most intimate business associate, a director in all his companies and a partner in all his schemes. Gould estimated Sage's wealth at \$50,000,000 and their combined capital was thus enormous. Sage was chiefly a money-lender in Wall street. He carried an immense amount of ready cash and was of incalculable aid to Gould in all his undertakings. It is indeed one of the traditions of the street that Sage saved Gould from ruin at a time when he was hotly pressed by James R. Keene and other bear operators. Field was a different kind of a man. He liked money but only as a means to an end, and he had not the heart or mind to roll up a colossal fortune in the way that Gould and Sage did, though he shared for a time in their enterprises. But at one time he was worth millions. Field's passion was love of fame. His brothers all gained distinction in the professions; he sought and obtained distinction in commercial life. One of his brothers sat on the Supreme Bench of his country. Another was a leader of the New York Bar. A third was a noted clergyman, editor and traveler. Cyrus W. Field began his business life as a rag merchant, but with idomitable pluck, energy and foresight he finally succeeded in constructing the first Atlantic cable, and was honored both in London and New York.

Mr. Field sought almost equal distinction in connection with the elevated railroads, whose great importance he comprehended, and he made a bid for popularity by insisting on a reduction of the fares from 10 to 5 cents against the wishes of Gould and Sage. Sage first became acquainted with Gould in Troy. Field first became identified with him in 1879, when he (Field) was president of the Wabash railroad, though we have seen him as a guest at the famous banquet given to President Grant on "Jim" Fisk's steamboat in 1869.

Mr. Gould turned his attention to the elevated railroads in this city early in 1881. The Manhattan company was then in control of all the lines as lessee, and to Mr. Gould's keen vision that company presented the appearance of being on the verge of financial disaster. The Manhattan company had issued \$13,000,000 of stock—pure water—and had divided the same equally between the Metropolitan and the New York companies. There was much criticism of the action of the Manhattan corporation in issuing so large a quantity of stock which was wholly unrepresented by property. The attorney-general of this state, Hamilton Ward, obtained permission from Judge Donohue, May 18, 1881, to begin a suit for the dissolution of the Manhattan company's charter and the appointment of a receiver. Other suits were begun about the same time to restrain the Manhattan company from paying any dividends on its stock. Of course these suits tended to depress Manhattan stock in the stock market.

Gould, Sage and Field agreed together to consolidate the three elevated railroad companies. They were, however, met by the determined opposition of President Kneeland, of the Metropolitan road. Nothing could induce him to waver in his opposition. His associates in the Metropolitan deserted him, and one by one they went over to Gould, but he stood firm to the very last, and his persistency caused a celebrated litigation, which proved so protracted and costly that Kneeland was finally defeated, though his spirit was unsubdued.

At that period Mr. Gould was the owner of the *New York World*, and for several months in 1881 that newspaper was greatly exercised over the bad management and "financial rottenness" of the Manhattan company. Scarcely a day would pass that the *World* did not contain an editorial or a news paragraph attacking Manhattan. The stock kept dropping two, three and five points at a time. With the beginning of July, 1887, suits were pending against the three elevated railroad companies in all of the state courts in which they could be brought. Mr. Gould became a stockholder in the Metropolitan company on the 1st of that month, 100 shares of stock having been transferred to him by Russell Sage. On July 8th, Mr. Gould, Mr. Connor, Mr. Navarro, and other friends of Mr. Gould were elected directors of the Metropolitan company. On the same day Attorney-General Ward entered an order discontinuing his suit against the Manhattan company in this judicial district. He immediately, how-

ever, applied to Judge Westbrook at Kingston, and obtained an order appointing ex-Judge John F. Dillon and Albert L. Hopkins receivers of the Manhattan company. A few days afterward Cyrus W. Field began a suit to take the New York company's roads out of the hands of the Manhattan company, and later an application was made to the receivers to sue the New York and Manhattan companies for the \$13,000,000 of stock issued without consideration. In the meantime the *World* kept up an incessant fire of criticism and denunciation of the Manhattan company. The price of the stock naturally kept dropping until it got as low as 16.

Early in October Mr. Gould went into the Manhattan company, and it was proclaimed that he and his friends had obtained control. They held more than 70,000 shares, nearly all of which they had been able to pick up in the stock market at prices ranging from 20 to 16 cents on the dollar. All of the timid original stockholders had been scared into sacrificing their holdings by the confusing cloud of litigation and the attacks of Mr. Gould's newspaper.

For a while after Mr. Gould got control of the Manhattan company there was some show of fight between him and Cyrus W. Field, who represented the stockholders of the New York company. Soon Gould, Field and Sage came together and had an amicable understanding. An opinion was obtained from Judge Westbrook, who held court in Jay Gould's private office, denying the application of the New York company to get its road out of the

hands of the Manhattan company, and in the latter part of October the Gould-Field-Sage party entered into an agreement in behalf of the three companies by which the Manhattan stockholders were to receive only 6 per cent. dividend on their stock instead of 10 per cent. Next came an order from Judge Westbrook taking the Manhattan company out of the hands of the receivers, and that corporation, which was absolutely under Gould's control, proceeded to rivet its hold upon the entire elevated railway system of this city. Immediately following Judge Westbrook's action the Manhattan stock went above 52, and on November 9th, the day that Jay Gould was elected president of the company, the stock was quoted at 55.

The steps which Gould and his associates took to "freeze out" the original stockholders of the Metropolitan company were exposed by the *New York Times* in a series of articles beginning in December, 1881, and continuing until the Legislature ordered a special investigation into the matter in April, 1882. Specific charges were made against Hamilton Ward, as attorney general, and Justice Theodor R. Westbrook of the Supreme Court for their part in the elevated railroad proceedings, and the Judiciary Committee of the Assembly spent several weeks in taking testimony. Jay Gould and others were examined, and letters and telegrams from Judge Westbrook to Gould's lawyers were produced in evidence, showing that Westbrook had a very friendly understanding with Mr. Gould. It was also proved that on two

occasions Judge Westbrook exercised his judicial functions in Gould's private office. The committee was divided in its conclusions and Westbrook just escaped impeachment. The effective lessons of the exposure and the official investigation, however, put a stop to further "freeze-out" tactics in dealing with the honest stockholders of the Metropolitan Elevated Railroad Company. Those who had refused to be shaken off by the bearish assaults on the property finally received satisfactory compensation for their property from Mr. Gould and his associates.

After obtaining full control of the elevated railroad system, Gould and his associates voted to double the capital stock, making it \$26,000,000. In opposing the reduction of the fare from 10 cents to 5 cents, they argued that a 5 cent fare would not enable them to pay dividends on their \$26,000,000. A member of the Senate committee suggested that they might reduce their capitalization. Mr. Field became identified with all of Mr. Gould's properties, but gave most of his attention to the development of the elevated roads. In 1886 he inaugurated the big bull movement in Manhattan stock. He "boomed" the stock in every possible way, and bought immense quantities, and publicly predicted that it would sell at 200. He succeeded in pushing the price to 175. Like almost all artificial corners this movement collapsed suddenly and Mr. Field was nearly buried in the ruins. Many believed at the time that this collapse was precipitated by Gould and Sage. It might have come about by

other causes, but Gould gave the tottering structure the push that leveled it to the ground. There were many reasons, it was argued, for his action. First, Field was no longer necessary, but on the contrary a hindrance to Gould and Sage, and they therefore wanted to get rid of him; and second, Field was conducting his bull movement independently of them. They would profit by his fall, while if he succeeded the system might pass into his hands. So in June, 1887, came the collapse. Mr. Field never charged Gould with having precipitated it, and Gould himself claimed that he came to the rescue of Field and saved him from bankruptcy. It was, however, a remarkable deal and one by which Gould made himself absolutely master of the elevated system, of which in 1891 he made his eldest son vice-president, and another son a director. Field was carrying an immense amount of stock on margins and was consequently a heavy borrower of money. Gould and Sage were lenders. The bank reserves were low. Gould and Sage called in their loans and Gould found it impossible to negotiate loans and was thus obliged to throw over his stock at a sacrifice. The price of Manhattan fell from 160 to 120 and Gould purchased from Field 78,000 shares at prices understood to have ranged from par to 120. Field saved his real estate and other property, but his power in the street was gone. His later history was a tragedy. In 1891, within a few weeks, he lost his wife and his son became a disgraced bankrupt. A few months ago Field died, broken hearted.

## CHAPTER XIII.

### THE LIFE OF A WALL STREET KING.

WHILE it is true that the story of Jay Gould's career in Wall street is closely allied with his outside operations, a full account of which has already been given, there still remain many other incidents connected directly with his work on the street of unusual interest. Out of this mass of material but two or three incidents of the most commanding interest can be used.

The most dramatic of these was the pommeling of Jay Gould by Major A. A. Selover in August, 1877. Selover was a Californian, a six-footer, a blond, muscular and vigorous. He first attained prominence in Wall street when James R. Keene came East after his successful mining operations in San Francisco, by which he achieved a fortune of \$8,000,000. Keene was a daring, almost fool-hardy stock gambler. He always played for big stakes and took enormous chances. His success in San Francisco had been so great that he entered Wall street with the idea of clearing all before him. He tackled Gould as the biggest animal in the arena, but found to his sorrow that he had to deal with a man more able than he, scarcely less daring but far more cautious. In a few short years Keene's wealth had dwindled away, and early in 1884 he



GOULD'S BIRTHPLACE, AND HIS PALACE ON THE HUDSON,



failed, owing hundreds of thousands of dollars in the shape of "puts," "calls" and "straddles." He dropped at the rate of about a million dollars a year in Wall street, and no small proportion of this found its way into the pockets of Gould. Yet Keene at one time was thought to have outmatched Gould. Selover introduced Keene to Gould, and acted as go-between for them in certain operations in which both were interested. Early in 1877 the two men combined forces in one deal. That is to say, they joined in one enterprise and fought each other behind each other's back. It was a case of diamond cut diamond. Keene formed a big pool, and, beginning to fight Gould, finally went over to him, being led into this change largely through the instrumentality of Selover. Both Keene and Selover then operated on an understanding with Gould, but soon found, as they charged, that Gould was secretly selling them out. Gould and Keene had a stormy scene in Russell Sage's office, when the latter is said to have brandished a pistol in Gould's face. The deal had been mainly in Western Union, which Gould did not then control, and Atlantic and Pacific, which he did control. Gould's double-dealing not only made Keene very mad, but made Selover very desperate. He had placed reliance in Gould's statements and had suffered loss, and resolved upon revenge. Accordingly, on the 2d of August, 1877, while walking down Exchange place from Broadway, Selover, meeting Gould walking up to the office of Belden & Co.,

No. 80 Broadway, of which he was then a partner, first engaged him in what appeared to be an amicable conversation, but soon resulted in an assault. Selover first struck Gould in the face and then dropped him over an areaway at No. 65 Exchange place, which was seven or eight feet deep. Mr. Gould was a good deal shaken up, but not seriously injured. Selover left to go to his brokers and Gould proceeded to transact his business as usual. He was assisted from the areaway, singularly enough, by George Crouch, who has been identified with several incidents in Gould's career from the days of Erie and Black Friday to the Kansas Pacific criminal prosecution, and who was one-third artist, one-third newspaper man and one-third speculator. The Selover incident created an immense sensation at the time, and the newspapers printed columns about it. Selover became quite a hero, for while there was nothing very courageous in his assault from a physical point of view, as he was more than a match for timid Mr. Gould, yet to attack Gould was considered by many an act of moral bravery. Selover declared that he had attacked Gould because Gould had been guilty of fraud, lying and duplicity. Gould, he said, had made arrangements with him to go short on Western Union, and while he (Selover) was selling accordingly in good faith he discovered that Gould was buying heavily. When he learned of this he determined to punish him the first time he met him, and so he had charged him with the fraud and slapped his face. "I attacked him on my own account alone,"

he added, "and regardless of the fact that he had played Jim Keene the same trick. He is notoriously treacherous, and this is not the first time he has been punished for the same offense." Poor Mr. Selover never amounted to very much in Wall street after this, though he continued to be seen there daily. Gould, after this incident, rarely appeared in the street unless accompanied by stalwart G. P. Morosini.

It is related that not long after this Keene came near getting his revenge on Gould. The latter was putting all his energies into Union Pacific, and carrying \$22,000,000 of the stock, mostly in margins. Keene organized an opposition party and nearly succeeded in breaking Gould. Sage, however, came to the latter's assistance with \$2,000,000 of much-needed cash, and Gould was saved. Keene's purpose was to drive Gould from the street forever, but he not only failed, but in a few years he was himself a bankrupt, with Gould more powerful and richer than ever.

Rumors of Gould's death and of his impending bankruptcy were not infrequently circulated in Wall street. Rumors of death could be easily disproved, but once, at least, the street was firmly convinced that Gould was in financial difficulties, and Gould was obliged to exhibit his wealth in order to prove that he was solvent. On March 13, 1882, Gould exhibited to Sage, Field and Frank Work his box of securities, to show that he was not only solid, but also had not been a seller of stocks. He exhibited

to the astonished vision of these associates \$23,000,000 of Western Union, \$12,000,000 of Missouri Pacific, and \$19,000,000 of other stocks. Russell Sage said: "There is not another man in America except Vanderbilt who could make such a display of stock as that." In 1884 Gould made another exhibition of his securities to John T. Terry and others, and the display was even bigger than two years before.

The panic of 1884 is believed to have caused Mr. Gould much anxiety. It came suddenly and without warning. There had been earlier in the year, it is true, the collapse and resignation of Henry Villard, soon followed by the failure of James R. Keene, but these disasters would not have produced the financial earthquake that shook Wall street in May. The failure of the Marine Bank and Grant & Ward, with the revelations which followed of embezzlement on a scale never before witnessed in the street, and the suspension on the memorable 13th and 14th of the month of the Metropolitan Bank, George I. Seney and seven or eight prominent banking-houses in this city and two banks in Brooklyn and Newark, caused a panic like that of 1869 and 1873, and from the depressing effects of which the street did not rally for several years. Gould's fortune melted like snow in the decline of values which accompanied this panic. He came out of it probably \$20,000,000 poorer than when it began. But this loss, it is true, was chiefly on paper. He was able to hold most of his securities, the value of which afterward increased. But it is believed that he was at one time

very hotly pressed. His associate, Russell Sage, lost millions in the decline by his operations in puts and calls. His office was besieged by a mob clamorous for their profits. The old man reluctantly paid up, and, badly scared and sick at heart, retired from the street for a while, hoarding the \$40,000,000 or \$45,000,000 which was still left to solace him.

The men who chiefly profited by the great decline were Charles F. Woerishoffer and Addison Cammack, the leaders of a small but powerful bear party, which for several years had been preparing for this depression, and by all the bear tactics, of which they were masters, assisting in the downward movement. They were two men of mark. Woerishoffer was the superior in mind and nerve. When he died in 1886, while under forty years of age, he was worth, it is said, \$8,000,000 to \$10,000,000, the result of his daring speculation. He was probably the ablest stock speculator Wall street has ever seen, not excepting Gould, whose principal success, it should be remembered, was in operations outside of the street. Woerishoffer was by birth a German, and was the son-in-law of Oswald Ottendorfer. Some of the most successful men in Wall street, it may be remarked, are Germans or of German descent, as for instance Villard, who after his collapse in 1884 had recovered in 1888 the ground he had lost; August Belmont, the banker, the Wormsers' and the Seligmans. Cammack was a man of much coarser nature than Woerishoffer. He came originally from the South, and the Wall street tradition

was that he had been a slave-driver by profession. Gruff in his manner, uncouth in his language, he yet had qualities as a speculator which made him a power in the street. These two men, with their following, are believed to have very nearly driven Gould to the wall in 1884, and the story is that Gould might have gone down if Cammack, of all men, had not relented. This story, like many others told in Wall street, probably has a mixture of truth and fiction. In 1887 and 1888 Cammack was very evidently in alliance with Gould in stock operations.

Gould was not a member of the Stock Exchange, though he was often the biggest customer the institution had. He was, however, almost always in general or special partnership with some member of the Exchange and thus obtained all the advantages of personal membership. After the dissolution of the house of Smith, Gould & Martin, Gould became the silent partner in the firm of William Belden & Co. This was succeeded by the famous house of W. E. Connor & Co., which lasted about ten years and which engineered some of Mr. Gould's most successful deals. At the time Mr. Gould retired from the firm, in 1886, it was composed of himself as special partner and of Washington E. Connor, G. P. Morosini and George J. Gould, the great operator's eldest son. Mr. Connor was the ideal broker and perhaps the most valuable lieutenant Mr. Gould ever had. Not overscrupulous in carrying out the interests of his master, he was faithful to the last

minute to him. Tempting offers were made to buy him off at various times, and he might have made several fortunes in betraying the confidences of his chief, but it is believed he was always true. Like Morosini, he allied his interest to those of Gould and profited by the connection. When the firm dissolved, Gould said of his partners: "Both are very rich men. Mr. Connor is worth at least a million and Mr. Morosini two or three times as much. The new firm will have my heartiest good will in whatever it undertakes. Between Mr. Connor, Mr. Morosini and myself there has never been an interruption of good feeling."

Mr. Connor was not only faithful, but quick and shrewd in his judgments. Upon him rested nearly all the details of the best operations of the house. These operations often required the assistance of fifty or sixty brokers. Often these brokers did not know that they were working for the same client. Sometimes they were ignorant even of the fact that Gould was their client. The prime necessity in great stock operations is to conceal one's movements. Sometimes a part of the brokers might be selling and a part might be buying. Gould and Connor alone held the strings of the intricate operations. One of the first great successful movements the house undertook was in Kansas Pacific in 1879. The stock within a period of a few months shot up from 8 to 97, and the bonds from 10 to 110. Gould cleared nearly \$10,000,000 by this operation. The most brilliant feat accomplished by the house was

performed when Gould acquired Western Union. Mr. Gould for a long time, as has been related, had been an uncompromising bear on the stock. The whole street was aware that he and his firm were heavily short of the stock. Suddenly the stock began to rush up. Gould was caught for once, it was said. The truth was that Connor had engineered the movement and Gould had not only bought in all his shorts but purchased enough stock to give him control of the company. It was also this house that pushed Western Union up from 78 to 91 and pushed Henry Smith and other bears to cover their shorts at a heavy loss. It also handled the elevated railway deals.

While Gould and the Beldens were in partnership at No. 80 Broadway, Connor had a small office in the rear. He was bright, sharp, sagacious, reticent and nearly as well informed as Gould himself. Gould was drawn to Connor naturally, and when the former fell out with the Beldens he and Connor formed a co-partnership. Mr. Morosini for many years had been Mr. Gould's man Friday, and was invariably seen with a large canvas bag following his employer to the safe deposit vaults and protecting him against any repetition of the Selover attack. Morosini went into the new firm, whose limitation only ran from year to year. Connor and Morosini put in \$100,000 each, and Gould, as special partner, \$250,000. George Gould was admitted in 1881, but without paying in a cent. Although the nominal capital of the house at all times has been

\$450,000, the actual capital, at times of great activity on 'Change, ran up into the millions.

But Mr. Connor was not Gould's only broker. Charles J. Osborn was for years one of Gould's closest lieutenants and associates, and a more dashing broker never stepped into the Stock Exchange. William Heath, "the antelope of Wall street," as he was called because of his long legs and slender body, was also long a favorite with Gould. Heath was a master at keeping secrets. None of his customers could ever learn what his other customers were doing. His faithfulness, experience and ability, however, availed him little in the end. He assisted Gould in Black Friday and helped him in many a risky transaction. When Heath failed with Henry N. Smith in 1885, Mr. Gould, though, with Morosini, the principal creditor, did not come to his assistance. It was thought that Gould would put him on his feet again, but he did not do so, and Heath—alone, broken in spirit and in fortune—died shortly after in Staten Island, but not until he had been lodged for a while in Ludlow street jail, a prisoner for debt.

On the dissolution of W. E. Conner & Co., Dec. 31, 1885, Mr. Gould announced his permanent retirement from the street. That perhaps was his intention (though he was as prolific in retirements as Charlotte Cushman), but it was not long before his presence was again felt in the Stock Exchange.

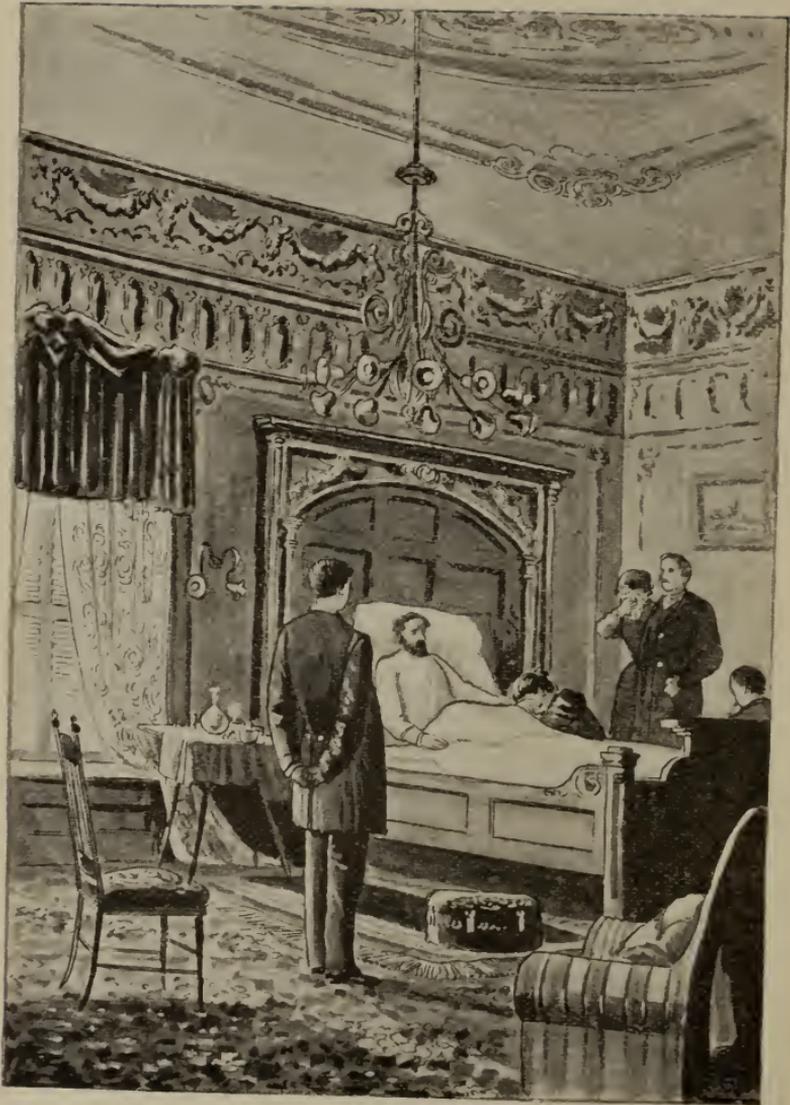
Gould had other personal encounters besides the one with Major Selover. Once, while lunching in Delmonico's, a lawyer named Marrin addressed him

and asked him to accompany him to a private room. Mr. Gould declined. Marrin struck him in the face, saying: "If you have no time to see me, take that!" Mr. Gould quietly continued his lunch. Mr. Marrin was summoned before a magistrate and compelled to give \$500 bonds.

It was his habit to have duplicated reports from corporation officers before the originals were presented. He was now and then cheated, but not often. On one occasion a leading editorial severely animadverting on him and Fisk was shown to him before any considerable part of the paper's edition had gone to press. He handed the party who brought him the paper \$10,000 in greenbacks and the edition appeared without the disturbing criticism. His enemies were numerous, not that he hated any one himself, but his operations necessarily involved men of small means and often ruined them outright.

Congressman John B. Alley is said to have remarked of him at twenty-four: "I won't go into anything with that lad. He is the only person I ever saw who inspires me with fear." Vanderbilt said, "His face is a scoundrel's." He was often accused of "milking the street," "forcing quotations," "washing," and "covering his shorts," but on the other hand, when he agreed to enter a pool he acted squarely with his associates unless he caught them at treachery, and then he quietly waited for an opportunity to pay them off. He was a special partner in several firms of brokers and carefully concealed from each his operations with the others,





JAY GOULD'S DEATHBED.

## CHAPTER XIV

### THE KING IS DEAD.

**E**NORMOUS wealth, power in the world of finance, every luxury that is at the command of man except health, that Jay Gould possessed. On Friday morning, December 3, 1892, at 9:15 o'clock, his wonderful career was ended. It was a perfect December morning when the soul of the magnate went to the undiscovered country, whither it had been trending for so many months. He died, not as he had feared to die, by the hand of the assassin or the dynamite crank, but as peacefully as any babe whose lamp of life has dwindled to a spark ere it flickers and goes out. He died surrounded by his children, in the plain, rear-extension bedroom, with its window looking down upon the conservatory. It was the room in which his wife died before him, and which he had since occupied whenever he was in the city. It led to the little study where only his most intimate friends were admitted. Here the last remnant of his strength ebbed away, and even while an attendant turned him, he was gone, and \$100,000,000 were without a master. All the members of his family were at his bedside. There were George J. Gould and his wife, who was Edith Kingdon. There were Edwin Gould and the young woman, Dr.

Shrady's daughter, to whom he was so lately married. There was Miss Helen Miller Gould, named after her mother, who had taken her mother's place as head of her father's household. There were Miss Anna and Howard and Frank Gould, the younger children, and there, too, was Dr. John P. Munn, Jay Gould's medical adviser. Mr. Gould's sons and daughters had remained by his side until one o'clock the previous morning. Then he fell asleep, and his children, worn out, went to bed. They were around his bed again very early. There lay the Alexander of speculation, the man who sought new financial worlds to conquer, who founded possessions on ruins and wrecks—there lay that man, helpless, weak as a baby. Always physically frail, the wasting disease with which he had suffered had greatly emaciated him. His nose was pinched, his face, half hidden by his grey-black beard, was almost as white as the pillow on which it rested. His hands were like wax, and his languid eyes, dimmed by the shadows that were falling across his brain, moved lazily here and there. For although he had fallen into a stupor during the night, Jay Gould was conscious in the morning. He knew he was about to die. He knew the moment was near that he had fought to delay, fought not through fear of death, but with a mighty pride that abhorred the thought that even death should overthrow him.

For two years or more the great financial manipulator had been battling with the knowledge that in his system lurked the seeds of man's most insidious

foe—consumption. He had phthisis pulmonaris in both lungs. He battled with the knowledge, and he took no man into his confidence besides his private physician, who became a sort of trained body servant to him, and was always within easy call to watch him when he had acute attacks, and his two elder sons, George J. Gould and Edwin. A very master of silence himself, he imposed silence upon these confidants, and it became their bounden duty to deceive all others as to the giant which had laid its grip upon his life.

And so the story went forth that Jay Gould was afflicted with nervous dyspepsia merely, and every now and then he had a bilious attack which “was not dangerous,” a cry which was repeated even when he had entered the shadow of the dark valley. Up to within twelve hours of his death the same cry was repeated. And even after death there were strenuous efforts made for some inexplicable reason to shroud the cause in mystery—a mystery which could have wrought no good to the dead man’s peace and that of his surviving family.

But it was not dyspepsia which sent him to the South of France, in the Atalanta, under the watchful eye of his medical guardian, Dr. John P. Munn, whose occupation is gone indeed. It was not dyspepsia which sent him to Florida and Southern California, and El Paso, and the grand resorts of Colorado, nor which caused him not less than two weeks ago to plan a trip to Mexico—for he did not think he was going to die, even then, and no man

ever clung to life more fiercely than this frail and silent embodiment of intellect.

He knew the truth, but he bit his teeth upon it. He would not let men into the secret, and sometimes put himself to actual pain in order to conceal the truth, as when, only a few weeks ago, on October 26, he appeared among the guests at Dr. Shrady's house and took a quiet part in the Gould-Shrady wedding, which had been somewhat hurried at his request.

This was his last appearance in public, unless you can count a visit or two to his office in the Western Union building, to which he went from his home in a closed carriage, and dodged in by way of the basement office before any one could see him. No one who saw him at the wedding would have suspected that he was so near death, and perhaps he would not have been had not an injudicious ride, in company with Dr. Munn, on the day before Thanksgiving, caused a cold which settled on his lungs, brought on a hemorrhage and paved the way to death.

The story of Mr. Gould's last night on earth is one easily told. It was as simple as any tale could be. He was prepared, and so were all the members of his family. His going off was merely a question of time. All understood how it would be. He had laid his earthly house in order, had explained to his older sons exactly what his property was, how he had made it, and what he should do to develop it if he lived.

He had passed the distressing stage of his dis-

ease and he coughed but little, and that weakly. The beard upon his face hid to some extent the terrible emaciation, but the chalky pallor of the swarthy skin was sharp and startling. He dozed at times, but never seemed to lose consciousness. He did not suffer physically. There was nothing to fight against now but the lassitude of utter exhaustion, and this the doctors—Munn and Janeway—did with the most powerful stimulants, thus prolonging life by a few hours, but doing no good that could be measured.

Several times during the night it was thought that he was going, and the family were hastily summoned to the bedside. But he rallied each time with wonderful vitality, and his will remained strong and under control to the last.

Those in the house besides the medical attendants and nurses were the children—George J. Gould, who is already enthroned as his father's successor in business; Edwin, the second son; Helen Miller Gould, the young heiress, who was the apple of her father's eye; Howard, who is just coming into manhood; the schoolgirl daughter Anna and the youthful Frank, with Mrs. George Gould, Mrs. Edwin Gould and a lady intimately connected with the family.

Daylight brought an apparent renewal of the lease of life. It was not much of a rally, but it was enough to give hope that the invalid would struggle along through a great part of the day. Windows were raised and curtains drawn in parts of the

house, giving it an animated and lively look which it had not worn when all the shades were down.

Shortly after the night-watch of newspaper men had gone away young Mrs. Gould appeared and drove away, in her carriage for a brief stay. She said that her father-in-law was much the same as he had been and perfectly conscious. An early caller was General Manager Hain, of the "L" road system. He stayed but a moment, and when he resumed his trip down town he little realized that the message of death, which was to be followed by the draping of all the "L" road engines, would reach the office almost as soon as he.

The December sun came up and gilded the roof of the extension in which the multi-millionaire lay gasping out the remnant of his life. It caught in the glass of the conservatory and sent baffling lights into the eyes of passers gazing curiously up at the windows which shrouded the drama of life and death within. Audacious, it trickled in between the shutters until a hand closed them tight, and it saw, what few have seen, the great magician of Wall street bent low by a power greater than his own.

Just then, as if moved by some sympathetic force, all of the raised shades were lowered and the great house assumed a somber aspect. This was just after nine o'clock in the morning. A few moments later a messenger boy came out of the house bearing a telephone message from Dr. Munn to his wife, stating that Mr. Gould had died at a quarter past nine o'clock. And thus the news that a king was dead

trickled out unwillingly, as it were, through the massive oaken doors that front his palace. If Jay Gould's secret could have been longer kept it doubtless would have been, but Death sounds a tocsin which even a master of silence cannot muffle.

In all the spacious palace where this rich man died there was no room more plain and simple than his own. There was nothing garish, nothing to attract or astonish the eye, none of the rare and beautiful bric-a-brac or articles of toilet which have made Miss Helen's boudoir famous in the social world. The furniture was massive, but simple; the colors were subdued. Through the open door the railroad manipulator could see his beloved study—a study, indeed, where he has pored with such relentless zeal by day and night over law books and other weighty tomes, planning the campaigns which made him a Napoleon in his line, and which were so disastrous to those who opposed him. They were fading now from his sight. He should plan no more.

He indicated with a whisper and a gesture that he was glad his children were all there. And then he showed a wish to change his position, and as the attendant turned him over, the spark of his life went out as if some breath had blown it.

With the slightest echo of a rattle in his throat Jay Gould was dead.

As soon as all was over George and Edwin took charge of matters and began to prepare for the funeral. Messages were sent to Mrs. Palm, of Camden, N. J., and Mrs. Harris, of Philadelphia, Mr.

Gould's sisters, and to other friends, apprising them of the death; and a telephone message summoned the undertaker and his assistants who had been waiting the word from their headquarters in Forty-fourth street. Vice-President Clark, of the Union Pacific road, who had been waiting for a week at the Windsor to confer with his chief, dropped over to the hotel and sent a number of messages.

Then a huge cravat of black crape was placed upon the door-bell to warn passersby that Death had entered at the door. One by one the flags on the hotels of the city, on the Western Union and some other buildings were raised to half mast. The "L" road engines were draped in black, and soon the voices of the newsboys crying their extras spread the tidings through the city.

Persons loitered about the house where death was master and gazed up curiously at the windows. There was but one Jay Gould, and in his going out lay an infinity of food for curiosity and comment.

During the day carriages continued to stop at the mansion and at the house of Edwin Gould, 1 East Forty-seventh street. The Rev. Dr. Paxton called again in the afternoon, and Chancellor MacCracken was among those admitted. The members of the family were, however, entirely inaccessible to any except their most intimate friends. Cards presented at the house or at the houses of either of the sons, with a view to seeing members of the family, met with the answer that they could not be seen.

In the afternoon, when the usual parade of car-

riages was moving up and down the avenue, there was quite a jam in front of the Gould house. Ladies would order their coachmen to stop and would peer inquisitively out of their carriage windows. Pedestrians, too, would linger on the corners for a few minutes to look at the house and comment with each other.

As might have been expected, the "cranks" were on hand. Whenever they began to air their ideas too freely a policeman made them move on. One of these cranks started to expound at length on the singular coincidence that it was on the first Friday in December, one year ago, that the bomb thrower Norcross blew up Russell Sage's office, and that on the first Friday of December Jay Gould had died.

The Rev. Dr. Paxton, in speaking of Mr. Gould's last hours, said: "He had been unconscious for a number of hours, but as the end approached consciousness returned. He opened his eyes, and they wandered around the room where the family was gathered. He clearly recognized them, and at his whispered request they went to his bedside. To each of them in turn he whispered a few words of farewell. Vitality enough for this was vouchsafed him. When he had spoken to the last one he became unconscious again, and in a few minutes more he passed away."

The mystery as to the nature of the ailment which wrecked Mr. Gould's health was one of the features of his last illness. It may be stated as a peculiar fact that his most trusted friends, and even

the members of his family, were not aware of the disease from which he was suffering until it became evident that he could only a little longer withstand its ravages.

Mr. Gould was variously reported as a victim of neuralgia, of nervous dyspepsia, and of severe bilious attacks, and the announcement that what caused his death was consumption will be received with a great deal of surprise. But the statement is true.

It is further said, that the disease was of several years' standing; that Mr. Gould was aware that he had it, and that his instructions to his physician, Dr. Munn, were that it should be kept a secret between them as long as possible. When, therefore, inquiries, no matter by whom, were made of Dr. Munn as to Mr. Gould's ailment, he replied that it was nervous dyspepsia, and truthfully, for all consumptives suffer more or less from that complaint.

To aid his physician in concealing all signs of the disease, the somewhat extravagant assertion is made that Mr. Gould was able to prevent himself, by an effort, from coughing.

The secret was well kept, and until a couple of weeks ago Mr. Gould is said to have had confidence that Dr. Munn's efforts to delay the progress of the disease would be attended with some measure of success, and that he would be able to keep up and get around for some years. But when he came down from Irvington some weeks ago he was not so

confident. A slight hemorrhage was followed by several more severe.

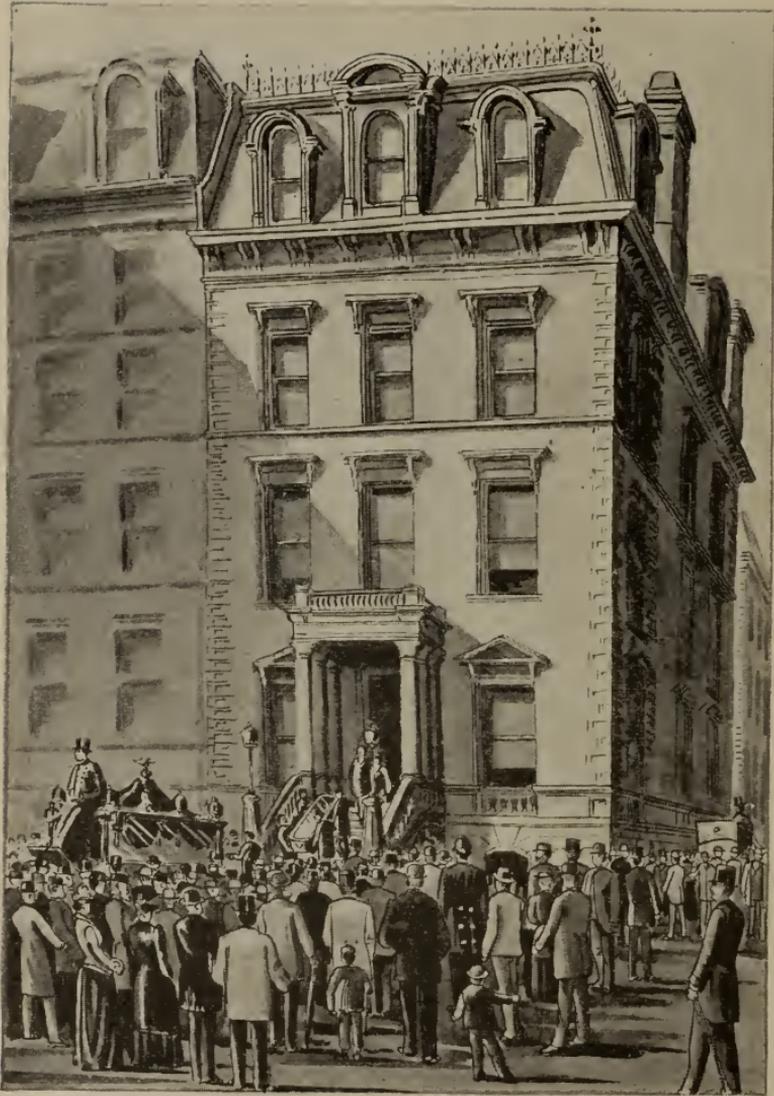
Mr. Gould attended the wedding of his son and Miss Shrady, at Dr. Shrady's house on November 26, and that was the last time he went out. He became so weak that he took to his plain oak bed in his plain bedroom in the extension over the conservatory, where he died.

Dr. John P. Munn, Mr. Gould's physician, is probably the one man in the world who knew Mr. Gould really well. He is about forty-five years old and stoutly built. He wears long, black side whiskers.

There is a story that Dr. Munn's acquaintance with Mr. Gould was the result of accident. He had come to this city to practice after graduating from a medical school in the interior of the state, and put up his sign near Mr. Gould's house. One day Mr. Gould was taken ill, and, his family physician not being at home, the young Dr. Munn was called in. His treatment was quickly efficacious, and Mr. Gould, liking him, a few months later made him a flattering offer to look after his physical welfare all the time. The doctor agreed, and has not now, therefore, a very extensive general practice. But as compensation for that loss, he has seen many parts of the world from the bridge of Mr. Gould's yacht, and by following hints dropped from the lips of the great manipulator he has acquired a beautiful home on West Fifty-eighth street and a handsome income to keep it going.

Mr. Gould had every confidence in Dr. Munn, and liked him personally, and, by way of showing his esteem for him, he had him made, a few years ago, a director in the Western Union Telegraph Company.





FUNERAL OF JAY GOULD FROM HIS NEW YORK RESIDENCE.

## CHAPTER XV.

### GOULD LAID TO REST.

THE first intention, after the death of Jay Gould, was that the funeral services over his remains should be as public as the limited accommodations of the house would permit. Ex-Judge John T. Dillon, who had been one of the legal advisers of Mr. Gould, and Dr. Munn, Mr. Gould's personal and private physician, met nearly all of the members of the family and agreed upon funeral arrangements with that understanding. But it was soon discovered that the probable result of a public funeral would be a blockade of Fifth avenue, and the intention was consequently abandoned.

The funeral services were held in the mansion where he had lived and died, at four o'clock Monday afternoon, December 5, 1892.

They were heard by his children, whom he had loved, and by many others whom he had known well in life, and some tears fell as they were uttered—not so many, perhaps, as have fallen at the funerals of other men who have attained prominence—and on his coffin were lying flowers, placed there by the hands of affection and of friendship, tokens of sorrow, clearly sincere and deep, that those who gave them would see him no more,

Outside of the house Fifth avenue and Forty-seventh street were crowded with inquisitive men and women, who were grievously disappointed because they were not allowed to enter to look at the face of the dead and to stare at the trappings of wealth. But the policemen who guarded the entrance were inexorable, and there was nothing to do but to stand on the pavement and gaze at those who entered and at the walls and windows.

In the early morning there were many callers at the house. Most of them were from out of town, and had come to attend the funeral services. They were met at the door by George Gould. Those who desired were permitted to go upstairs and look at the face of the dead. The body was in the rear bedroom on the second floor. It had not been disturbed since it was first lifted from the bed where Mr. Gould died on Friday morning. It was in a mahogany box surrounded by flowers and covered with a black cloth. A servant stood at the head and lifted the cloth for each visitor. None of the callers staid more than a few minutes. They went across the street to the Windsor Hotel to await the hour for the holding of the services.

About 10 o'clock Undertaker Main called with two assistants. A moment later a wagon drove up to the Forty-seventh street basement entrance, and the coffin was carried into the house and up to the room where the body was. The wagon stood there an hour, and then the men who had gone in with Undertaker Main carried out the mahogany case and

pushed it into the vehicle and drove away. A little later Undertaker Main came out. He said the body had been carried down stairs and was in the parlor, where it would lie while the services were held. While he was talking two wagon loads of camp chairs arrived. One contained twelve and the other fifteen dozen. They were carried into the house. Even at this hour in the morning the people in the street showed a disposition to stop, and had it been permitted there would have been a crowd in front of the house that would have blocked the street from curb to curb.

When it was announced that the funeral would be public Capt. Reilly arranged to have one hundred policemen on the spot from early morning, but the later decision to admit only the intimate friends of the family made the captain change his plan. Until noon only four uniformed men were on duty. One of these was in Forty-seventh street. Two were on the east and one on the west side of Fifth avenue. They pushed along any one who stopped more than a moment. Some were indignant, and talked back at the officers. Their talk generally resulted in a gentle push and an order to "Come now, hurry up. You can't stand here." About noon, two policemen, Sergeant Kelly and Roundsman Bingham came, and a few minutes later a dozen men from the Central office in citizen's dress. Four of them were detailed to do service inside the house, and the others were to mix in the small crowd that was to be permitted to gather. They had orders to get together at the

very first word that indicated a disturbance and squelch the offender on the spot. As a reserve force in case anything should happen, Capt. Reilly had twenty-five men in their rooms at the station-house ready to march on the double quick.

The first of the party who arrived at the house to attend the funeral were three women in deep mourning, an elderly man and two young men. They came about noon. They were Mr. Gould's sisters, Mrs. Northrup and Mrs. Palen, and Mrs. Northrup's daughter and two sons, and Mr. Abraham Gould, Mr. Jay Gould's brother. They came from Philadelphia on an early train, and went direct to the house. The police vigilance to prevent the gathering of any crowd was kept up until 1 o'clock, when Capt. Reilly arrived. He said that people might gather half a dozen deep on the west side curb and above and below the house on the east side, but wide passages must be kept open. Sergeant Kelly and Roundsman Bingham were put on duty on the steps of the Gould house. Dr. Munn talked with them a few moments in the vestibule. He told them they were to question everybody and were not to let anybody pass who did not convince them of his right to enter the house. They were also to keep the steps clear. Five minutes after Capt. Reilly issued his order to let the little crowd gather, every inch of space he had allotted to them was taken. At first it was a crowd composed exclusively of poor people. They were poorly dressed and many of them looked poorly fed. Curiosity

only had induced them to come. They had not hoped to get into the house. While this crowd stood in the street there was a hurry and bustle in the corridor of the Windsor Hotel. The men the poorer people came to see were forming parties. The directors of the great railroad companies, the Union Pacific, the Missouri Pacific, and the others, were getting together. Frank Hain, Julien T. Davies, and Charles A. Gardener, representing the Manhattan Elevated railroad, were among them. William C. Whitney had charge of one party.

Once, early in the afternoon, there was what appeared to be a concerted rush for the steps. A number of persons who were evidently under the impression that the public was to be admitted at 3 o'clock made a start at that hour, and two or three hundred others followed. Up they rushed, and, although the policemen shouted, "Get back! You can't go in," a few did make their way into the house. They were quickly ejected, however, and thereafter only individual efforts were made to get in. Some of these were persisted in stubbornly, but without success.

Oddly enough, women pleaded the hardest to be allowed to pass through the big oak door, women of more than middle age, most of them, who could give no better reason for wanting to see the face of the dead railway king than that they "just wanted to see it." Some declared that they had come from great distances for that purpose alone. They went away and returned to beg again. Yet all of them admitted

finally that they had never known Mr. Gould or any of the family. His children glanced furtively out of the windows at the motley crowd and gave thanks that the early intention to admit the public had been abandoned.

The throngs began to gather as early as noon, and by 1 o'clock there were 500 or 600 persons near the house. For some time the policemen kept them on the west side of the street, where there was no sunshine and where it was chilly. Yet they held their positions.

In the house during the early afternoon Undertaker Main's assistants were busy arranging camp chairs in the two parlors, in the dining-room in the rear of the house, and in the spacious hallway which runs from the entrance to the dining-room.

The body of Mr. Gould was taken from the temporary receptacle in which it had been lying since Friday, and placed in the oak casket covered with black broadcloth. At 3 o'clock it was carried down stairs and placed with head toward the east on a standard in front of a broad mirror on the south wall that reached from floor to ceiling.

In the hallway, just back of the reception room, to the left of the entrance and alongside the staircase, was placed a small organ, in front of which the choir of Dr. Paxton's church was to stand.

Dr. John P. Munn, Mr. Gould's physician, took up his position in the vestibule soon after 3 o'clock. No one could enter unless he knew them or unless they presented credentials which were not to be

questioned. Owing to the sagacity of Roundsman Bingham of the East Fifty-first street police station and a number of central office detectives and police men in citizen's dress, not a great many reached the doctor whom he had to turn away.

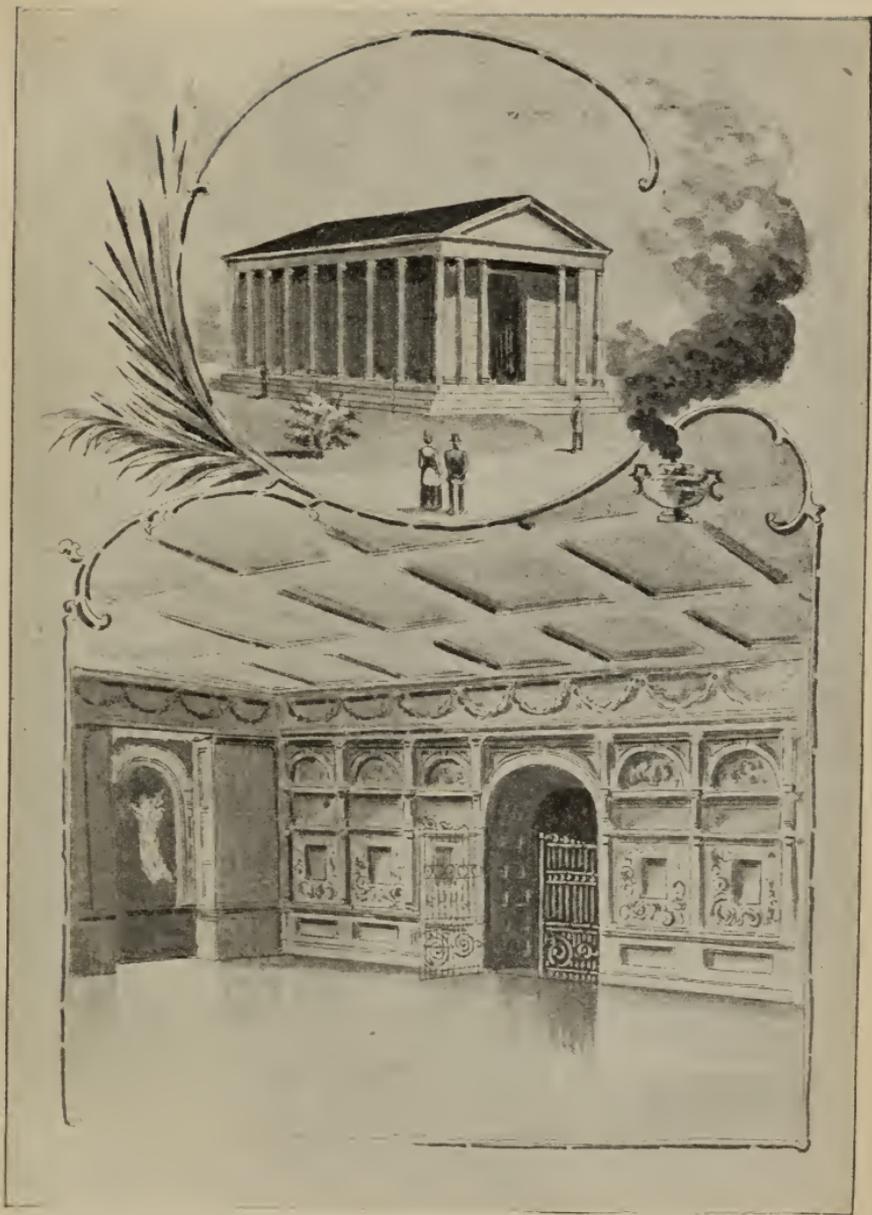
One gray-haired woman, by exhibiting a card, got by the policeman and reached Dr. Munn. To him she said, smiling agreeably, that she had no wish to be intrusive, and then the door being open she sought to push by him. Detective McCloskey, of the central office, who was attending the door, closed it, and a policeman appeared just then and escorted the woman down to the street.

Although the services were not to begin until 4 o'clock the friends began to come before 3. After passing the policemen at the entrance and Dr. Munn, four detectives from police headquarters were encountered. Detective Sergeant Heidelberg stood in the vestibule, Detective Sergeant McCloske in the inner hall and Detectives Frink and Titus near the dining-room. As the guests were admitted they were shown through the hall to the drawing-room. There they formed in line and passed by the coffin slowly, so that each could get a view of the body, and then passed into the second drawing-room or through the latter to the hall or dining-room. Three ushers found seats for them. None of the family was visible. George Gould had been down earlier in the day and had received some callers, but he retired before the first of the funeral guests arrived. He and the other members of the

immediate family, Abraham Gould, Mrs. Northrup and Mrs. Palen, and their children, were gathered in the hall of the second story, where they could hear the music and prayers without being seen by those below. Some remoter relatives and their friends sat in the rear of the second drawing-room. The dining-room was filled first, and here the directors of the Union Pacific, the Manhattan Elevated and the Missouri Pacific railroads and the Western Union Telegraph Company were seated.

The shades were drawn in all the rooms and the electric lights were turned on. At 3:30 o'clock the second drawing-room, the dining-room and the hall were filled. Everybody sat silent during the half hour that elapsed before the services began. The only man who spoke at all, and he confined himself to whispers, was Russell Sage. Except the coffin, the object that attracted the most attention was the oil portrait of Jay Gould, which hung against the rear wall of the dining-room. All in that room and many in the hall could see it, and their eyes were turned toward it a large part of the time. It had been painted before Mr. Gould's illness, and looked utterly unlike the face in the coffin. Instead of the expression of peace and indifference which marked the latter, there shown out from the countenance of the portrait a look of triumph. The face of the dead man was commonplace beside that in the gilt frame.

The hour set for the beginning of the services, four o'clock, was indicated to those seated in the



WHERE JAY GOULD RESTS



parlors and halls and to the members of the family who were on the second floor, first by four cheerful, jingling strokes of a Swiss clock in the dining-room, and then by four sonorous and vibrating sounds from the large clock in the rear parlor.

Pastor John R. Paxton walked to the reception room and escorted the Rev. Roderick Terry, pastor of the South Reformed church, which Mrs. Jay Gould attended, and Chancellor MacCracken of the University of the City of New York, to seats near the doorway of the parlor, about half way down the hall.

Dr. Paxton took his place in this doorway, facing those in the hall. At his right, and at the head of those who sat in the hall, were Chauncey M. Depew, who observed the ceiling contemplatively during the ceremony, and Collis P. Huntington, who wore a skull cap and looked steadily and intently at the hall carpet.

The opening strains of the anthem, "There is a Land Immortal," were played by Organist and Musical Director P. A. Schnecker at 4:05 P. M., and the singing was by Mrs. Charles Herbert Clarke, soprano, who took the place of Mme. Clementine De Vere-Sapio, the regular choir soprano, who was indisposed; Mrs. Carl Alves, contralto; Charles Herbert Clarke, tenor, and Ericcson F. Bushnell, bass. Extemporaneous prayer, in which only the Presbyterian service differs from that of the Episcopal church, was offered by Dr. Paxton in these words:

"Oh, eloquent, just and mighty Death, whom none couldst outwit thou takest in thy toils; whom

none could convince thou persuadeth; whom none could overthrow thou subdueth—mighty Death!

“Dire discouragement of human end, we bless God for our Christian faith in which Jesus Christ hath abolished death. We bless Thee that He plucked the stain from sin, that He robbed the grave of its victory, and that He filled the heavens with the ministrations of our heavenly hope in this splendor, where we hope to renew life beyond the tomb.

“We bless Thee, Heavenly Father, for Thy Son our Lord Jesus Christ, for our knowledge that the grave is not a dungeon but a door opening into other worlds and a new and higher life. We bless Thee that the grave is not a terminus, the final resting place, the be-all and end-all of man, but that it is only the stopping place, an inn where we humble travelers sleep the long sweet sleep on our way to the New Jerusalem.

“May the Divine Spirit be present with us in these sad solemn services, and may the light of the resurrection morn shine into this darkened and bereaved house, and may comfort, that with which God comforteth His own, touch with heavenly and hopeful grace the hearts of our friends here, wounded and bleeding still for the loss of him they all loved so well. Amen.”

Dr. Paxton read that part of the service beginning, “I am the resurrection and the life,” and the quartet sang the beautiful hymn of Cardinal Newman, “Lead, Kindly Light, Amid the Encircling Gloom.” Then the Rev. Mr. Terry read the second part of the burial service, at the conclusion of which Chancellor MacCracken offered prayer as follows:

“O, Father, Thou only art perfectly wise, kind, just, true and good. Therefore it is that our hearts

turn to Thee in this trying hour. Strengthen us now. Quicken our hearts in faith, that we may strive to be like Thee. Make us, as Thou hast commanded us to be, steadfast and immovable, and always abounding in the work of the Lord.

“O Father, pity those that mourn here. Have special compassion on the children of this home, whom Thou hast sorely grieved. Because Thou hast taken from the children of this family both father and mother, do Thou comfort them, Thou Divine Comforter. Grant unto them faith, hope and love, Thy Divine special gifts. Grant unto these bereaved ones the peace which this world, with all its treasures, does not give.”

“Nearer, My God, to Thee” was then sung, after which Dr. Paxton announced that the services would be concluded at the grave in Woodlawn cemetery the following day by Chancellor MacCracken.

He invited those present to take a look at their departed friend, whose soul had gone to its Maker. The line formed in the rear of the parlor and marched slowly by the casket, the upper part of the cover of which had been removed.

Among those who attended the services were the following:

Representing the Manhattan Elevated Company—Second Vice-President and General Manager F. K. Hain, Secretary and Treasurer D. W. McWilliams, Julien T. Davies and Charles A. Gardiner, the company's counsel.

Representing the Western Union Telegraph Company—President Norvin Green, Vice-President and General Manager Thomas T. Eckert, Vice-Presidents

John Van Horne and Robert C. Clowry, Treasurer R. H. Rochester, and William B. Somerville, Superintendent of the Press Service.

Representing the Missouri Pacific Railroad Company—First Vice-President and General Manager S. H. H. Clark, Assistant General Manager George C. Smith, Secretary and Treasurer A. H. Calef, Local Treasurer D. S. H. Smith, General Auditor C. G. Warner, General Attorney for Western States B. P. Waggener, General Solicitor A. G. Cochran, and John C. Wands.

Representing the Union Pacific—Vice-President E. F. Atkins, Director Frederick L. Ames, Secretary Alexander Miller, Treasurer James G. Harris, and Controller Oliver W. Mink of Boston, and Director Joseph H. Millard of Omaha.

J. B. Houston, Vice-President of the Pacific Mail Steamship Company, and Mrs. Houston; Austin Corbin, President of the Long Island Railroad Company and a Western Union Director; S. W. Fordyce, President of the St. Louis Southwestern Railway Company; John G. Moore, a Director of the Missouri Pacific road; Henry B. Hyde, President of the Equitable Life Assurance Society and a Union Pacific Director; George G. Williams, President of the Chemical National Bank; J. Edward Simmons, President of the Fourth National Bank; Edward H. Perkins, Jr., President of the Importers' and Traders' National Bank; A. S. Frissell, President of the Fifth Avenue National Bank; ex-Judge John F. Dillon; W. B. Doddridge, a Director of the St. Louis South-

western Railway; Washington E. Connor, Gould's former partner; Samuel Sloan, President of the Delaware, Lackawanna and Western Railroad Company and a Director of the Missouri Pacific and Western Union companies.

Chauncey M. Depew, President, and H. Walter Webb, Third Vice-President, of the New York Central and Hudson River Railroad; H. G. Marquand, Collis P. Huntington, a Director of the Western Union Telegraph Company; John Bigelow, Addison Cammack, Henry Villard, Henry Clews, Simon Wormser, a Director of the Manhattan Elevated Company; Herbert H. Dickson, Mr. Gould's personal lawyer; J. Pierpont Morgan, a Western Union Director; William H. Blackford, representative of Charles F. Mayer, President of the Baltimore and Ohio Railroad; Whitelaw Reid, John H. Inman, William D. Bishop, of New Haven, a Western Union Director; Jesse Seligman, Mr. and Mrs. James Seligman, Mrs. Helman, Dr. Virgil P. Gibney and mother, Dr. Jarrett Baldwin, Mrs. B. S. Clark, ex-Senator and Mrs. John J. Kiernan, Judge Rufus B. Cowing, of the Court of General Sessions; Dr. Matthew D. Field, Sidney Dillon Ripley, William H. Kissam, J. Seaver Page, ex-Governor Alonzo B. Cornell, a Western Union Director; J. H. Villard, Alexander Miller, Frank Kernan, J. M. Morgan, James Gurnie, John D. Crimmins, J. C. Pierce, Gen. G. M. Dodge, A. S. Hopkins, Gen. Louis Fitzgerald, Ogden Mills, C. C. Baldwin, F. K. Sturgis, Cornelius N. Bliss, Benjamin Brewster, William Rockefeller, E. P. Vining, Maug-

han Carter, a relative of Mrs. Gould, and Reid Northrup and Daniel Northrup, nephews of Mr. Gould.

Every one of those who saw the face remarked afterward upon its extreme naturalness. The beard had been cut rather shorter than Mr. Gould wore it in life, and that and the displacement of the swarthiness of his complexion by the death pallor were the only changes in his appearance. The many rare flowers were placed surrounding the casket. The most beautiful was a floral cross which Miss Helen Gould had ordered. It was composed of pink orchids tied with a silk ribbon, and was placed on top of the coffin. Next to it was a bunch of bride roses from Howard Gould. A five-foot broken column of white roses, crowned by violets, with the word "Father" in violets at the base, stood at the head of the coffin on a table. It was from George Gould. Miss Annie Gould sent a bunch of white orchids, Edwin Gould a wreath of lilies of the valley, bride roses and orchids; Frank Gould a bunch of lilies of the valley and orchids, and George Gould's children an enormous pillow of orchids, roses, lilies of the valley and violets, with the word "Grandpa" in the center. This rested on the floor beneath the coffin.

A handsome wreath of lilies of the valley, orchids and bride roses, was received from Mrs. Hall of 559 Fifth avenue. Mrs. Herbert sent a bunch of lilies of the valley and roses. Gen. Thomas Eckert sent a wreath of orchids and roses. Mrs.

Dillon Brown sent a bunch of lilies of the valley and orchids. J. B. Houston sent a full-rigged ship made of lilies of the valley, roses and violets, with two flags flying and this inscription in violets: "The Voyage Ended—Safe in Port." The ship was placed on a gilt cabinet in the northeast corner, and the other pieces were disposed about the room. A large number of persons had been expected, and arrangements had been made accordingly. Many camp chairs had been piled up in the hall, the second drawing-room and the dining-room.

After all the visitors had gone, the members of the family, including Mr. Gould's brother, Abraham, and his sisters, Mrs. Palen and Mrs. Northrup, took a last look at the features, and the casket was closed.

Although it grew bitterly cold in the late afternoon, the crowd outside did not diminish while the services were in progress. Occasionally the onlookers crowded up to the gates so that the four uniformed policemen had to get together and push them back. A picturesque feature, but by no means a pleasant one, was the presence of several unwashed, long-haired individuals, supposedly Anarchists, raggedly clothed and with red cotton neckerchiefs, who stood muttering and cursing to themselves and glaring fixedly upon the house.

A wily speculator had obtained possession of some visiting cards of Edwin Gould, and had sold them at a premium. Many of his customers presented these to the policemen, and they seemed

quite surprised and chagrined when they were told they would not be recognized.

One elderly woman, in a black bombazine dress, with an old-fashioned bonnet, became extremely indignant because she was not allowed to enter the mansion. She said she lived "up in the state," and that she had traveled sixty miles especially to attend the funeral of Jay Gould. "It is a shame," she cried, waving a rusty parasol and speaking to the crowd in the street. "They're rich enough. Why didn't they hire a church?"

Another peculiarity about the sidewalk spectators was that nearly all the men and boys were either German or Russian, while the greater part of the women were also foreigners. The crowd climbed up the stoops of the adjoining and neighboring residences until they were driven away by servants with the aid of the police. Every time the great glass doors opened at the Gould residence there was a craning of necks and a rush for the stoop. There was absolutely nothing to be seen except the undertaker's assistants.

One woman told a little circle around her that she had seen the casket, and seemed very proud of her achievement and the distinction which it conferred upon her in the eyes of her auditors.

During all this time Fifth avenue was crowded with handsome equipages of all kinds going to and from the park. Among those who drove by were John Jacob Astor and his wife in a stylish drag. Neither the Anarchists nor the other spectators

recognized them, or there might have been, judging from the character of the crowd, some unpleasant demonstration. The police, however, were very alert, and kept a watchful eye upon every movement of the crowd.

The majority of the men who attended the funeral walked to and from the house. When the services were over and the doors were opened, the first to step out were H. Walter Webb and Chauncey M. Depew. Mr. Depew was, of course, recognized, but Whitelaw Reid, who followed him, was not. As the guests came out of the house the police still had some difficulty in keeping the crowd back. A number of women fell into line, expecting that they would be admitted to the house as soon as the invited guests had departed. Finding that this was not the case, they lingered for a few minutes and then slowly went their way. In fifteen minutes the crowd disappeared entirely, and the avenue resumed its normal appearance.

The following morning the remains of Jay Gould were placed beside those of his wife in the mausoleum in Woodlawn cemetery. They were placed in a catacomb at just half past twelve. Barring the irreverent chatter of the idle onlookers, nearly all of whom were women, no words were uttered except by Chancellor MacCracken. A crowd gathered in front of the Gould residence early this morning. Two policemen kept them back, and they stood around and looked angry. At 9:30 the flowers were taken to the cemetery. Soon after 10 o'clock the

hearse and eight carriages appeared. It was an extremely plain hearse and the carriages, except George Gould's smart brougham, were of the ordinary four-wheeled funeral variety. The immediate members of the family entered them and Undertaker Main, alone in a carriage, led the way up Fifth avenue to the cemetery. After the brief services were over the mourners departed.

The mausoleum in Woodlawn cemetery in which the dead multi-millionaire is resting is more magnificent and costly than the homes of many people whose money paid for it. The station on the New York and Harlem river railroad is near the north-east corner of the cemetery. Central avenue goes by the office of the superintendent and winds through the snowy slopes for about half a mile. About fifty feet from this avenue rises a mound crowned by a tiny Greek temple. That is Jay Gould's tomb.

The plot of ground is circular and contains 30,000 square feet. The price of ground in such a select location is \$2 per square foot, so the space alone cost \$60,000.

Before the work began Mr. Gould made three stipulations about the construction of the mausoleum. First, that it should be built as strongly and as massively as possible; second, that it should not be pretentiously large; third, that as great simplicity as possible in the construction should be observed. Upon this last point Mr. Gould laid the greatest stress.

The mausoleum is built throughout of westerly granite. It is thirty-three feet long, twenty-two feet wide and twenty feet high to the apex of the roof. It is often said to be a copy of the Parthenon, but that is not true. The Parthenon was a Doric structure; this is Ionic. The technical name of the building would be a Greek hexastyle, peripteral temple. It has six columns in front and eleven columns on each side in single rows. In its proportions and many of its details it is more like the old temple of Theseus, at Athens, than any ancient building extant.

Three rows of steps run up to the temple on all sides and form its base. Between the columns and the walls of the temple is a considerable space. Columns and walls are bare, without the faintest attempt at ornamentation.

In the center of the row of columns facing the south it looks as if a column had been removed to make a broad passageway. Facing this opening is the double door of the tomb. Each section of this door is eight feet high and two feet wide, and weighs a ton. The doors are of heavy bronze, and the lower part is paneled and ornamented on the outside with two dragons' heads, a big iron ring swinging in the mouth of each dragon. The upper part of the doors is a fretwork of cherubs and vines, through the opening of which the interior of the crypt can be seen.

Peering through the interstices one may see the narrow hall lined with polished Tennessee marbles. The pavement is of tessellated marble in three shades,

a creamy yellow, a pale pink and a pale violet. The body of the floor is in the pale violet, with two bands of the pink and yellow crossing it.

The interior is 20 feet long, 7 feet wide and 13 feet high. Its roof is a solid slab of granite, which weighs six tons. The border of the ceiling is paneled with egg and dart moulding. The floor is one plain marble slab. Along the sides of the interior are the catacombs. Of these there are twenty, ten on each side, in double rows. The rows are separated from each other by granite slabs. Each catacomb is  $7\frac{1}{2}$  feet long and  $2\frac{1}{2}$  feet wide. Between the lower end of the catacombs and the outside of the wall of the tomb is a thickness of 18 inches. The outer part of this thickness is, of course, granite, but facing the interior the walls are of light pink and cream-colored Tennessee marble, highly polished. The light enters the crypt through a stained glass window in the back. This window, which is 6 feet high and 3 feet wide, pictures a choir of angels.

The roof of the mausoleum consists of granite slabs 32 feet long, each weighing 15 tons, and so placed together that they overlap, making the roof waterproof. The whole temple weighs about 300 tons, and rests on a solid concrete foundation 8 feet thick.

The second rear catacomb from the bottom, on the left-hand side entering the tomb, is that of Mrs. Gould, who died January 13, 1889, and was interred January 16th. The letters "Emily Day Miller, wife of Jay Gould," with the dates of her birth and death,

are in high relief on the polished slab. Mrs. Gould's body is the only one in the mausoleum.

The tomb was completed in 1883, and cost \$50,000. Land and all it cost \$110,000.

## CHAPTER XVI.

### PERSONAL CHARACTERISTICS OF JAY GOULD.

MUCH of the interest in the life and career of Mr. Gould is in regard to his personal characteristics and qualifications, and much that is to be learned from his life is to be gained from the study of the same circumstances. The varying opinions regarding him are perhaps more widely different than those concerning any other great financier. As has been said, there are those who see in him all that was ideal in the character of a powerful money monarch. There are more whose criticisms can not be made too scathing, whose denunciations can not be made too strong. In an impartial history, all such opinions must be represented.

It is a relief to turn from the record of Gould's public career to the contemplation of his private life. As has already been said, in all his domestic relations Gould was a model man. He had no habits but that of hard work and home enjoyments. He did not use tobacco in any form. He rarely, if ever, sipped a glass of wine. Social scandal never attached to his name. He loved his home. When not in his office he was with his family. He owned a box at the opera, but when he attended his family always accompanied him. He belonged to no social

clubs. He did not add the excitement of the turf to the excitement of the Stock Exchange. On his return from a journey his first questions were of the welfare of his family. He made his home as beautiful as wealth, refinement and purity could make it. He loved his children, the sweet discourse of the fireside and the companionship of books and flowers. There was no attempt at display, but everything he possessed was the best. Neither he nor his wife had any ambition for society distinction. They gave no great balls and rarely were they present at "society events." They had none of the vulgar traits of the parvenu or prejudices of the aristocrat. When his son wished to marry an actress Mr. Gould interposed no objection, and even approved the choice, declaring his pleasure that his son had selected a respectable woman who was able to earn her own living. Perhaps his devotion to his family was due in part to the fact that his public career placed him apart from other men and made him an object of fear and hatred. He was an exile from the sympathies of his fellowmen. But he uttered no complaint, and found in his family full solace for any loss of friendships he may have incurred. The members of his family were his only intimate friends.

Mr. Gould was never a robust person. He was below medium height, thin, nervous and reticent. His hair, beard and eyes were jet black. He was fastidious in dress, and never approached the gaucheries that marked and marred his lieutenant,

Fisk. Gould was all brain and nerve, Fisk all drive and muscle. Although quiet, imperturbable and indisposed to confidences, Mr. Gould's expression was by no means unpleasant. On the contrary he was, in a sense, companionable. He was extremely fond of home comforts and never permitted business to interfere with his two o'clock dinner or his afternoon drive. In manner he was kind and gentle. Never averse to give an opinion, unless it interfered with a plan, he was careful not to obtrude one. He was not accessible to strangers for obvious reasons, but his family and friends testify to the unvarying courtesy of his manner and the rare beauty of his temper. He was always more or less troubled with sleeplessness and often paced the floor, tearing letters or papers to bits, as he thought out schemes for making money. Making money was his passion. He was not ostentatious in living and spent comparatively little. He rarely put his name on subscription papers and, justly or not, he did not enjoy the reputation of liberality. He was often seen in the park with his wife, his son or driver, and invariably looked straight ahead. He ate moderately and never drank wine save at dinner. Now and then he attended the opera, and in the days of Sweeny and Tweed would occasionally join them in the recesses of a private box. Mr. Gould was not exactly a selfish man. He was too intelligent to hate and too unsympathetic to love very strongly. He produced the impression of extreme intellectuality; indeed,

leaving out the affectionate element, he was feminine in nature, with marked intuitive perceptions.

Slight of stature and frame, and feeble in body, with a high-strung, nervous organization, a rebellious stomach and flesh-plagued with the neuralgia—such was Mr. Gould as he appeared in the later years of his life. His deceit and far-reaching were the result, largely, of his frailty and timidity. In appearance what a meek, mild-looking man he was! Strangers to whom he was pointed out would exclaim: "What, that Jay Gould! Well, I never would have thought it." About five feet six inches in height and of slender figure, he was not an imposing personage. His complexion was swarthy, his eyes dark and piercing; his closely-trimmed whiskers black and streaked with gray; his forehead dome-shaped and his hair rather thin—such was Jay Gould. His voice was very low and mild. When a witness in courts and before committees, as he frequently was, it was with the greatest difficulty that he could be heard. But when once in close contact with him one soon came under the spell of his intellect. His comprehension was wide, his intuition wonderful, his judgment almost unerring. He was a close student when once he took up a subject. He never ceased until he had thoroughly mastered it in every detail. This was the secret of his success. Henry Ward Beecher once defined genius as the power and willingness to work long and hard, and under this definition Mr. Gould was a man of genius. Though not by any means wholly bad, he was a dangerous man. His

life was a menace to his country. His successes were demoralizing to the young. He looked like a premium on dishonesty, a reversal of the old adage that "honesty is the best policy."

No just estimate of Mr. Gould can be formed without taking into consideration the fact that he lived in a time and country in which corruption in politics and business was widespread. The great mass of the people were honest, but municipal government was the most corrupt ever known. Bribery walked the streets of the national and state capitals, and "jobs" were behind nearly every public undertaking. It was a period, on the one hand, of glorious achievement and extraordinary development, and, on the other hand, of venality, deceit and dishonesty. The besetting temptation of the times was the desire to get rich—enormously rich—suddenly. Mr. Gould may be said to have been little if any worse than most of his contemporaries in business. His triumphs were, for the most part, over men who would have ruined him if he had not ruined them.

In regard to himself, he once said when told that he was the most unpopular man in the United States:

"I never notice what is said about me. I am credited with things I have never done and abused for them. It would be idle to attempt to contradict newspaper talk and street rumors. As to enemies, any man in my position is likely to have them. With me the bitterest enemies have always proved to be men to whom I had rendered services. As a general thing, I do my best to be on good terms

with everybody I come in contact with. I am not of a quarrelsome disposition. But, on the other hand, I have the disadvantage of not being sociable. Wall street men are fond of company and sport. A man makes \$100,000 there and immediately buys a yacht, begins to drive fast horses, and becomes a sport generally. My tastes lie in a different direction. When business hours are over I go home and spend the remainder of the day with my wife, my children, and the books of my library. Every man has natural inclinations of his own. Mine are domestic. They are not calculated to make me particularly popular in Wall street, and I cannot help that."

The day after his death, his friends had only one word to say as to the qualities in the dead man which commanded a tribute from them—his ability, his foresight, his wonderful patience in the working out of his aims, his fidelity to friends, his good faith with his business associates and his generosity to subordinate workers. Mr. Morosini, speaking of his dead friend and former employer, with whom he had been associated for a longer period, and perhaps more continuously and in some respects more intimately, than any other man in New York, said:

"Mr. Gould was one of the most lovable men I ever knew. It was a pleasure to serve him. He was very appreciative, and never imposed a needless task upon any one. In the office he always took things easily and coolly. There was never any hurry or confusion. In his family he was the best of hus-

bands, and I never knew a man who loved his children with such intensity as he did. He seemed to worship them all. He was a very companionable man, and there was a great deal of humor in his disposition. While he was not given to telling stories or cracking jokes himself, he enjoyed hearing others do so and would laugh as heartily as the rest. He was very abstemious in his habits, but was exceptionally fond of coffee. Now and then he would sip a little wine, but he rarely took more than a spoonful at any time. My opinion is that his system gave way under the great strain resulting from the consciousness of his immense wealth. It was a tremendous care, and he was always weighed down with the anxiety and excitement of protecting his properties.

“Mr. Gould was the most generous of men, and he made a great many other men rich by his own generosity. I could give you hundreds of instances where in return for some slight service to him he has started men in the way of making fortunes. There is one which just comes to mind while I am talking which is a good illustration. Once there was a man out West who did some little work for Mr. Gould in a railroad matter there. The man was of the ordinary type of a Westerner on the frontier. Mr. Gould said to me: ‘I ought to do something for him; what would you suggest?’ I replied, ‘Buy him a thousand shares of stock for a rise.’ He said, ‘All right,’ and ordered the purchase of 1,000 shares of Denver and Rio Grande. The stock was then about 29. We

carried it along until it reached a very high point and looked like going off, and then we sold it. The profit was \$65,000 and I paid that money, all of it, sixty-five bills of \$1,000 each, to that man myself. Mr. Gould had ordered that transaction for that particular purpose. He took none of the profit himself, but directed that the man should have it all.

"There were many instances," continued Mr. Morosini, "of just that sort, and many in which he greatly helped men there in Wall street from going down—men whom he was under no obligation to help, but he assisted them under an impulse of generosity."

In regard to Mr. Gould's business methods, Mr. Morosini said: "Of course, he was very reserved. He never let the left hand know what the right hand did. His motto was never to say 'cat' until you had him in the bag. For instance, he asked me one day to call in about \$8,000,000—which we had loaned out. I followed his instructions; the money was collected; he said nothing to anybody about why he had called it in. I kept the money for nearly a month, when one day he told me that I might loan it out again, as he had no more use for it; that he had intended it for use in buying the Reading road, but the deal had fallen through and therefore it might as well be drawing interest. That was the first I knew of what he had in contemplation when he called the money in. Then again, when he bought the Missouri Pacific, his negotiations with Commodore Garrison were carried on for three

months, and it was only when he asked me to draw checks and told me to whom they should be drawn that the whole thing came out."

Continuing, Mr. Morosini said: "Mr. Gould could enjoy immensely anything funny or ludicrous. We used to have a small window in the office through which I would talk to some of the unimportant callers, and through which Mr. Gould would also talk to people whom it was not necessary to bring into the inner room. One day a man came to the window and said, 'I want to see Mr. Gould.' I told him he could not see Mr. Gould unless he told me what he wanted. He replied, 'I have an invention here, and there's millions to be made out of it.' Mr. Gould was in the next room, and he said, 'Morosini, what is it the man wants?' and I told him, whereupon he got up and came to the window to talk to the man.

"When Mr. Gould appeared, the man put his hand under his coat as if to pull something out. I saw it glisten, and thinking it was a blunderbuss, I dodged down under the counter, and Mr. Gould seeing me go down dropped down also. 'Shoot high, you son of a gun,' I yelled out. Then the man laughed and said there was nothing to fear, and began to explain the nature of his invention. We got up and looked at it, and what do you think it was? He had a sort of a brass cylinder, and he said it was a patent portable churn. It was to be filled with cream in the morning when a man was starting away from home, and slung by a strap over his shoulder under his coat.

The motion of the body while walking would keep the cream stirring, and then besides there was a sort of piston with a handle on the top. Every now and then you were to give that a jerk, so that by the time the man reached home at night he could turn out on a plate for his wife a pound or two of fresh butter.

"I said to the man when he had explained what the thing was, 'I will give you thirty days in the penitentiary,' and you ought to see him get out. It would have done you good to see Mr. Gould laugh over our dropping down behind that counter at the sight of that portable churn."

Mr. Morosini illustrated Mr. Gould's peculiar tactics in operations in some particular stock in the Exchange with another anecdote. Said he:

"At one time Mr. Gould was short on Pacific Mail, and he bought and sold, bought and sold, bought and sold until the commissions paid brokers amounted to about \$36,000. Then the account was finally made up and showed to the credit of Mr. Gould on the entire transaction the sum of fourteen cents. A rumor was in circulation that Mr. Gould had made a great deal of money in the stock. One afternoon, just about that time, I was at Mr. Gould's house when William H. Vanderbilt called to see him about some matter of business. He congratulated Mr. Gould on having made so much money on the stock. Mr. Gould turned to me and said, 'Morosini, how much have we made on that deal in Pacific Mail?'

"I answered, '\$140,000.'

"'What,' he exclaimed, and looked at me in a

queer way. After Mr. Vanderbilt had gone Mr. Gould said, 'When I asked you what we had made on that Pacific Mail transaction why did you say we had made \$140,000?' I answered, 'Did we want to disgrace ourselves by saying fourteen cents? Why not let them know that we can make money as well as they can?' Mr. Gould was very much amused."

Those men who of late have been most intimately associated in business with Mr. Gould, and those directly connected with the business enterprises of which he was the commanding power, invariably speak of him in the highest terms. The directors of the Manhattan Elevated Railway, the Western Union Telegraph Company, the Missouri Pacific System, and other great corporations in which Mr. Gould's holdings of stock were the controlling interests, have been lavish in the compliments and admiration which they express.

Newspapers throughout the country, in their editorials, seem to have made every effort to be kind, even while expressing, most of them, detestation for Mr. Gould's methods. In the public press, however, he has had few compliments except for his shrewdness and his family life, while criticisms have been very severe on all of the prominent features of his career.

A great number of clergymen, too, have taken occasion to preach sermons on the death of Mr. Gould, some of them very bitter in their denunciation of him. A few have been charitable enough to object entirely to the fact that he made little appli-

cation of his wealth toward benevolences, and have said little about his methods of acquiring it.

It is true, however, that the weight of the consensus of opinion has been that Jay Gould's life was that of a wrecker of fortunes and of honor, that the good that he is done falls far short of balancing the account, and that his loss will be felt less by the world at large than would that of any other man of equal prominence.

## CHAPTER XVII.

### THE FAMILY OF GOULD.

JAY GOULD had no social ambition whatever. He was the most domestic of men, and his affection and attention to his own immediate family was so deep as to apparently leave no place for outside social influences.

Mr. Gould was greatly stricken by the death of his wife, which occurred January 13, 1889, after a long and painful illness. When she died there were present besides her husband and Mr. and Mrs. George Gould, her sons, Howard and Edwin; her daughters, Helen and Anna, and her sisters, Mrs. Harris, Mrs. Noyes and Mrs. Dickinson. Mrs. Gould was practically unknown in society, for the reason that she seldom cared to go into the fashionable world. Her home was world enough for her, and she made it a happy one. She was the idol of her children. Many stories are told of the private charities of this modest woman.

It was in the winter of 1862 that Jay Gould married Miss Helen D. Miller, the daughter of Daniel G.



A FAMILY GROUP.



Miller, of the produce and grocery firm of Lee, Dater & Miller. Miss Miller was then twenty-three years old and lived with her parents at 33 East Seventeenth street, now the site of the *Century* building. The house was one of those old-time mansions, few of which still exist in New York. In this house they lived for several years and here, on February 6, 1864, the first child, George Jay Gould, was born. Here also, Edwin, the second, was born two years later. Helen Gould, the oldest daughter, was born in 1870. Howard was born a year later. Their other children are Anna, who is now fifteen, and Frank, who is still a young boy.

George Jay Gould, the eldest son, instead of going to college went into business with his father, and has himself amassed a considerable fortune. He lived with his father until his marriage to Miss Edith Kingdon, once a member of the company at Daly's theater, which took place several years ago. He has three children, two boys, Kingdon and Jay, and one little girl. After his marriage George bought the house, No. 1 East Forty-seventh street, adjoining the rear of his father's home, from Amos Lawrence Hopkins. A passageway was built connecting the house with the Fifth avenue mansion. George Jay Gould lived there until about a month ago, when he moved to the house which he purchased from Jacob H. Schiff, at Fifth avenue and Sixty-seventh street. Edwin Gould then moved into the Forty-seventh street house. He is twenty-six years old and a graduate of Columbia college in the class of '88.

Edwin Gould, the second son, was married October 27, 1892, to Miss Sarah Cantine Shrady, step-daughter of Dr. George F. Shrady, of No. 8 East Sixty-sixth street. The ceremony was performed by the Rev. Robert Collyer, at the house of the bride's father. The presents received by the young couple were very costly and numerous. Mr. Gould sent besides the diamond pendant which the bride wore at the ceremony, 200 pieces of silver in a fine oak chest. After a short wedding trip Mr. and Mrs. Gould took up their residence at No. 1 East Forty-seventh street.

Edwin, though not so widely known as his brother, has an active interest in many of his father's enterprises. He is a director of the Western Union Telegraph Company and of the Manhattan Elevated railroad. He is very fond of athletic sports, and belongs to the New York Athletic Club. He has been a member of Troop A, but resigned when he was appointed Inspector of Rifle Practice.

Miss Helen Miller Gould is about twenty-three years old. She is an active church-worker and a member of Dr. Paxton's church. To her interest in missionary work has often been attributed the minister's meeting at Mr. Gould's house and the millionaire's gift of \$10,000 for missions. Howard Gould is twenty-one years old, Anna is a school-girl, and the youngest, Frank, is thirteen years old.

About a year ago cards were sent out by Mr. Jay Gould, which read simply:

MR. JAY GOULD  
and  
MISS GOULD  
At Home  
Saturday, Dec. 26, from 3 until 7.

As many as 3,000 of these were sent out, and every person in the social set was asked. This was nothing very unusual, as general invitations are frequently extended by people of personal prominence in this way. During the first couple of hours of the "at home" there were but few callers at the Gould house, but later they came in a steady stream.

The mothers of marriageable youths were very kindly disposed toward Miss Gould. Whether she was to achieve a social success has never yet been determined, for almost immediately after the coming out reception she left town with her father, who went away for his health. Social leaders say that with his great wealth Mr. Gould might easily have arranged for his daughter's marriage to a man of great social rank. But Mr. Gould didn't care to encourage the quest for his daughter's hand on the part of men of great social rank. This was evidenced by the hearty consent he gave to the recent marriage of his son Edwin to Miss Shradly, the adopted daughter of Dr. Shradly.

When George J. Gould married Edith Kingdon, the actress, it was said there was opposition to it on the part of Mr. and Mrs. Gould, but if such was the case it never developed into anything definite. In

fact the Goulds made much of their daughter-in-law when they came to know her. When Jay Gould became a grandfather he manifested the greatest interest in the children of his son. There are three of them at the present time.

Edwin Gould, the second son, takes after his father more than the other children in the matter of characteristics. He took a course at Columbia and rowed in the freshmen crew. As to how the elder Gould regarded the two boys, George and Edwin, an old financier, who knew Gould intimately, said:

“Either Jay Gould loves his sons George and Edwin to the point of indiscretion, or he has weighed them up in his keen way and thinks there’s a lot of sand in them.”

Mr. and Mrs. Gould were a couple happily married in the fullest sense of the term. Mr. Gould was exceedingly domestic in his tastes. He never cared much about going into society. His wife died some years ago.

Mrs. Gould had been fond of society, but gradually gave it up.

The pleasures of Jay Gould’s life were simple and few. With vast wealth at his command, he seldom sought recreation away from his immediate home. To a certain extent money-getting seemed to be a pleasure to him. In the many deals engineered by his master hand he felt the thrill of a nervy gambler who stakes his money on the turn of a card. It was not making money that worried him. It was keeping what he made and holding his own in the thou-

sand and one schemes concocted to get the better of him.

His life was a continual game of chance, and in this game for many years he found his chief enjoyment in existence. It is not recorded that in the earlier years of his career Mr. Gould ever sought any physical relaxation in the way of sport or pastime. His whole mind, heart and soul lay between Wall street and his uptown home. Finally, however, money-making became an old story. Time and again he had milked Wall street dry, and his fortune had rolled up into the tens of millions. Then, observing an occasional smile on the faces of other millionaires, and hearing the laughter of light hearts all about him, he began to wonder if there were not other pleasures in the world outside of cent per cent. and the dull, eternal rows of figures that stood for stocks and bonds.

So one day he turned his back on the dingy office that represented his paradise and took a New York Central train for Irvington. Here he met Mr. Merritt, and was driven to the residence of the latter, a mile or so north of the old river town and close to the shore. Mr. Gould was very quiet and very reserved, but his keen eye took in all the possibilities of the place at a glance. When he returned to New York on the evening train he had closed a bargain with Mr. Merritt, by which the estate became his for a consideration of a quarter of a million of dollars.

A small army of builders and decorators and

glaziers was employed, and out of the general chaos of bush and bramble arose the minarets of a modern palace, with wide, well-ordered grounds and every comfort one could wish for. Mr. Gould seemed to take great pleasure in planning the arrangements for his future country residence. For awhile all but the general detail of his business was put in the background. Every few days he would journey up to Irvington to see how matters were progressing. It may be safely said that these were the first leisure days of Mr. Gould's life. His eyes grew brighter, his step more buoyant, and he began to look upon these little excursions as a pleasant diversion.

Sometimes he would take his younger children with him, and their unaffected happiness was another source of relaxation for the care-worn millionaire. Previous to this time money-making had been Mr. Gould's exclusive thought. Thereafter it became to a certain degree intermittent.

Mr. Gould's house on the Hudson, above Irvington, was called Lyndhurst. It is a stone structure of Elizabethan architecture, situated on a high green bluff overlooking the river and surrounded with a well-kept park. The entrance to the park is about a mile from Irvington, and is marked by two tall granite posts. A stone porter's lodge is by the gate. Passing into the grounds one sees on every side the marks of the gardener's care and the skill of the landscape gardener. There are not too many trees, only enough, and they are so grouped that while they make the house at the end of the driveway

seem retired, they yet afford vistas through which glimpses can be caught of the stone towers and gables of the mansion.

Beyond the limits of the park lie fruitful and well-cultivated farmlands and orchards belonging to the Gould estate. One opening among the trees shows a gray tower and slender minarets. These mark the dog kennels. The driveway is broad and smooth, and winds over the undulating surface of the park toward the house. Some of the trees through which it runs are old oaks which have not been interfered with in the general plan of the grounds, but have been brought into stranger effect by the arrangement of the newer trees and the shrubbery. The road descends a little before it reaches the house and passes through a grove of evergreens. As one comes out of the dark grove, the beautiful house bursts at once on the sight of the visitor. Trim lawns surround it and beyond it the view is closed by the broad Hudson and the palisades beyond.

The central tower of the house rises high, bearing turrets at each of its four corners. The house is built of greystone, which is shot with bluish tints. It covers a large area and its many parts are grouped together so as to give an appearance which is at once beautiful and imposing. There are multitudes of graceful angles, mullioned windows, turrets and spires, all in harmony, and forming a picture delightful to look upon. Here and there are verandas with great windows opening upon them,

and now and then a stone balcony high up. The great double doors of the main entrance are of stone even to the sashes of the diamond-paned windows at their top.

Inside the house there is a great hall in the center. On the right from the main entrance is the dining-room and on the left a large drawing-room. Everywhere are works of art, statuary and paintings. The house has a multitude of rooms in it and is built on a generous plan throughout. It is an ideal country home. Every window commands a beautiful view, but those on the west front have the finest. The Hudson can be seen for miles to the south and north. The palisades are seen in a magnificent sweep across the river, and the town of Nyack looks like a toy city on the further shore of the river. To the north are the mountains of the Highlands. The lawn at the west of the house slopes down to the edge of the bluff. Then there is a steep descent to the railroad track, which is hidden from view by thickly planted trees and shrubs growing on the declivity. A path leads down to a bridge over the track and a short distance on the other side brings one to the little wharf and boathouse. It was off this wharf that the *Atalanta* used to lie when Mr. Gould was at Lyndhurst.

The library in the house contains a splendid collection of books, which Mr. Gould bought from a man who had spent many years and much money in collecting them in all the markets of the world.

He erected a short distance away one of the

largest and most handsomely equipped conservatories in the country. It covers nearly four acres, and from a distance looks like the fabled palace of Kubla Khan. Here there was another source of pleasure for the weary financier. He employed Ferdinand Mangold, Mr. Merritt's former gardener, to take charge of the conservatory, and gave him *carte blanche* to procure the rarest flowers and exotics from all over the world. Mangold performed his work well. When the leaves grew yellow around Lyndhurst the autumn following the conservatory contained the finest palm garden on the Western hemisphere.

There are over 250 varieties, from the size of a maidenhair fern to great shadowy trees, thirty feet high and with leaves as wide as the jib of a pilot boat. They range in value from \$20 to \$500; but what is money to a millionaire in pursuit of the butterfly of pleasure. These palms were brought from Africa, Central and South America, Samoa, the Sandwich Islands, the heart of India and from beyond Trebizonde, for the simple purpose of wooing Mr. Gould's pale face into a smile. There were *Viridifolium*, *Hyophorbe Americanis* and *Plectocomia Assamica* palms without number, and Mr. Gould knew every one of them by name.

In another apartment was a wilderness of roses, pink and white, and gold and Guelder, Burgundy and Austrian in an endless tangle of color and a delirious, odorous atmosphere that would have enraptured the soul of a lotus eater. No wonder that Mr. Gould

abandoned care when he entered the portals of his conservatory. He did not have many warm personal friends, yet surely a man can not be altogether bad who is a friend of the roses. There must be some good in the heart of a man whose eyes grow tender as he bends over a lily.

The conservatory became a hobby with Mr. Gould. Every morning after breakfast he would pay a visit to the big glass house to wander for an hour or so among the plants and flowers. While there he would seem to forget everything but the green, tropical tangle about him. In the evening, on his return from the city, he would again stroll through the shadowy aisles of palm and vine, sometimes alone and at others accompanied by the members of his family.

Orchids were Mr. Gould's especial hobby. In this department of his conservatory he had nearly 8,000 orchid plants and over 150 varieties. For some of these delicate, air-fed and angel-painted blossoms Mr. Gould had paid \$300—half the amount of a poor man's wages for a year of toil. In another apartment were nearly 2,000 azaleas, little bits of sunset sky cut into the shape of bells. In the fernery were 600 varieties of ferns, giving the entire place the appearance of a soft green cloud hemmed in glass walls. Just the place for Titania and her fairies.

It is strange that this appreciation of pure and poetical things should exist in the soul of a man of such financial grimness. But it was doubtless in

Mr. Gould's nature before his life took on its acquired thirst for gold. When that thirst was in a measure satiated he turned again to his fundamental instincts and his great conservatory was the result.

Yet in the summer months Mr. Gould found much pleasure in his open-air garden. It was a big affair, guiltless of weeds, yet it is doubtful if Mr. Gould ever weeded his own potato patch or hoed his own turnips. There were beds for cantaloupes and watermelon, cucumbers, peas, beans, parsley, spinach, carrots, beets, lettuce and cauliflower, and Mr. Gould knew just where to find everything. For a short time every day he would walk through the garden, and doubtless dream of his old barefoot, boyhood days when he looked after his mother's garden in Delaware county. He was a sort of intermittent farmer and seemed to find a transitory pleasure in everything that pertained to a farm. There was nothing in common, however, between Mr. Gould's luxurious style of farming and that of the everyday horny-handed knight of the pitchfork and plow.

His barnyards and meadows, situated some distance from the conservatory, contained innumerable blooded stock. There were 50 cows, 25 horses, a span of oxen, 3 bulls, over a thousand chickens, 200 ducks and 500 pigeons, besides half a dozen deer. This gave the entire estate a farmlike aspect that was very pleasing to Mr. Gould. Over two hundred and fifty tons of hay were harvested in the fields of Lyndhurst every year. Mr. Gould took great pleas-

ure in going out to the fields on summer afternoons to lie under the trees and watch the haying. The far-off drone of the flying sickle came to his brain as a soporific balm, and the sight of the sun-worn toilers heaving away at the great, slow wagons and the distant songs of the reapers lulled him to slumber.

In Mr. Gould's stables there were fifteen or twenty carriages and conveyances of one kind or another, many of which were not used once a year. To get rid of malaria, Mr. Gould filled in over one hundred and twenty acres of swamp land. Mr. Merritt spent over \$1,250,000 in improving the place and Mr. Gould spent about \$1,500,000 in the same endeavor.

Mr. Gould was a great lover of art, and was continually purchasing statuary and paintings. Beyond the carriage archway leading to the outer hall of the Gould castle is a bust of Lafayette; on the other side is one of Washington. On the right of the inner hall is a bronze Ethiopian woman and a painting by Perrault. There are many marble busts and statues on onyx pedestals scattered throughout the house, most of which were purchased by Mr. Gould. In the picture gallery are innumerable rare paintings. Among them are "A Forest Scene," by Rousseau; "A River Scene," by Ziem; "Evening Antique Dance," by Corot; "A Girl," by Fleury; "A Storm on the Farm," by Jacque; "Priest and Cavalier," by Meissonier, and "Le Loup dans la berguerie," by Loustaunau.

Then there are Vernets, Simonettis, Kaemmerers, Constants, Bouguereaus and Troyons innumerable, all of which were purchased, either directly or indirectly, by Mr. Gould. This was in the earlier stages of his home-making and before he had the fever of the farm and conservatory upon him.

Mr. Gould was not a great admirer of the drama, but he was rather fond of opera, and this formed almost his only public diversion during the winter months. He was seen very often at the Metropolitan during the opera season with his daughter and daughter-in-law.

In 1883 Mr. Gould built the big steam yacht *Atalanta*, and for several years he was well known in yachting circles. He was elected a member of the Eastern and Larchmont yacht clubs, and applied for membership in the New York Yacht Club. The opposition to his name which was developed in the club was so strong, however, that his friends withdrew his name. This furnished a sensation at the time. George J. Gould, who had for some time taken an active interest in yachting, and was a member of the club, at once resigned. Mr. Gould at one time had an idea of making a cruise around the world in the *Atalanta*, but abandoned it.

Soon after the launching of the *Atalanta* Mr. Gould and others formed the American Steam Yacht Club. The *Atalanta* developed remarkable speed and is to-day the fastest large steam yacht afloat. Mr. Gould had her built because he felt his health to be failing, and thought yachting would be beneficial

to him. Until within the last two years he spent much time on board of her. She was used principally as a means of transportation between Lyndhurst, his home on the Hudson, and the city, though he made several extended cruises in her. It was not often that Mr. Gould would allow the *Atalanta* to be raced, but on the occasions when he did permit this she made records.

Mr. Gould presented to the Larchmont club a cup, called the Gould Cup, which is raced for every year. He also contributed largely to the International Challenge Cup, offered by the American Yacht Club for competition by steam yachts of different nations. He was always anxious to see a challenge for this cup, but so far no nation has challenged, owing to the great superiority in point of speed of the American steam yachts.

Mr. Gould seldom entertained people on board the *Atalanta*, but when he did entertain, his hospitality was perfect. He had the happy faculty of making his guests feel that the yacht was theirs and he himself was a guest on board. There was an excellently well-selected library on the yacht, and the craft was fitted throughout with quiet and substantial elegance.

The *Atalanta* is 243 feet long, 26½ feet beam and 15½ feet deep. She is built of iron and was designed and constructed by W. Cramp & Son, of Philadelphia. In June of 1885 she ran over the 85-knot course of the American Yacht Club, from Milton Point to New London, in 4 hours, 34 minutes and 57 seconds.

The house at No. 579 Fifth avenue, where Jay Gould died, had been his city home for several years. Before that he lived across the avenue, almost directly opposite his present house, which before Mr. Gould bought it was the home of George Opdyke, the banker, who enjoyed the distinction of being one of the few Republican mayors which New York has had. The house stands at the northeast corner of Fifth avenue and Forty-seventh street. It is a square, brownstone house, about double the width of the average house, with an extension in the rear. It is three stories in height, with a mansard roof, which gives another story. The main entrance is in the middle of the Fifth avenue front, under a portico into a deep vestibule with handsomely carved oaken doors and mosaic floor. The hall is fifty feet long. On the left of the hall is a small reception room with one window facing Fifth avenue. On the other side of the hall are the great drawing-rooms. The library and the dining-room are in the rear. Mr. Gould had a fine collection of standard books. The whole house was entirely redecorated only a short time ago, and is everywhere a model of comfort, elegance and good taste. It is filled with most exquisite tapestries and the finest paintings. Mr. Gould had specimens of the work of Diaz, Rousseau, Daubigny, Henner, Vibert, Rosa Bonheur, Voley, Jacquet, Schreyer, Bouguereau, Dupre and Meyer von Bremen.

Attached to the house is a conservatory, which is kept constantly filled with the finest plants from the hot-houses in the country house at Irvington.

Mr. Gould lived quietly in his handsome house, and few people other than intimate friends frequented it. He was devoted to his family and spent nearly all of his time not occupied with his financial operations with them. They in turn were devoted to him. Mrs. Gould for several years before her death had been in delicate health, could not attend church, and never took part in social pleasures. Her trouble was a nervous one, and she could not endure excitement. Thus the house was never given over to festivities to any extent. Sumptuous as it was, it did not compare in size or display with that of other men whose fortunes rivaled Mr. Gould's, or, in fact, with the homes of many whose wealth was not a tenth of his. All looked at the place with interest, however, when it was pointed out as the retreat of the remarkable man whose public life was so dramatic, and whose home life was so quiet and so peaceful.

Mr. Gould attended the recent horse show on three afternoons, but these are the only occasions he ever publicly exhibited any particular liking for horses. His city stable is one of a row on West Forty-fourth street, between the Berkeley school building and Fifth avenue. It is a two-story, twenty-foot front brick building trimmed with granite. It is No. 14 West Forty-fourth street. It is a neatly arranged stable of the old-fashioned, oak-trimmed pattern common in the neighborhood. Mr. Gould kept only three pairs of horses at the time of his death, and they are all quartered in the building.

Four of the horses are cobby bays, two with docked and two with banged tails. The other two are long-tailed black roadsters, and the most valuable of the lot. None of the horses would bring a fancy price if put up at auction, but they are all of the good, plain sort that will stand plenty of work.

Simplicity was the chief characteristic of the carriages used by Mr. Gould. He always bought the best and paid the prices asked without cavilling, but the first outlay was all the carriages ever cost him. He was careless in the extreme regarding repairs or fresh trimmings, seldom having any work done on any of his vehicles. Mr. Gould always selected his carriages personally, and always bought from the same firm. He was easy to suit, always telling just what he wanted and taking the first carriage that met his ideas.

James Downs is the Gould coachman. He has served the family for over ten years. The carriages at the stable ready for use are a brougham, landau, victoria and a hunting wagon. The last is gaudy in yellow and black and is the newest of the vehicles. The others are plain in coloring and are what driving people call old style. Jay Gould's livery is a dark green, and was worn on the usual occasions by both coachman and footman.

Two years ago Mrs. George Gould was in the habit of giving her father-in-law early morning drives in Central Park, calling for him daily in a neat trap of her own. With this exception he seldom drove for pleasure in the city. At Irvington

he was occasionally seen driving on the roads near his residence. Until the purchase of his yacht Mr. Gould drove to and from the railroad station daily, but since then he has only taken drives at infrequent intervals.

None of the Gould family is especially devoted to riding or driving. George Gould keeps six carriage horses and a saddle horse at his stable, No. 133 West Fifty-fifth street, but they are more for Mrs. Gould's use than his own. His coachman, William Willis, has eight carriages and light traps to care for. Edwin Gould is a capital rider, and until his promotion to a captaincy and the post of Inspector of Rifle Practice in the Seventy-first Regiment, was an active member of Troop A. He always rode a long-tailed gray thoroughbred, for which he paid a high price. Edwin Gould was very proficient at wrestling on horseback, and few of the cavalymen could unseat him. The Misses Gould drive daily during their stay at Irvington, using the family carriages or else handling the reins in the hunting wagon or in a mail phaeton.





George J. Howe

## CHAPTER XVIII.

### THE GREAT FORTUNE AND ITS INHERITORS.

FIVE days after the death of Jay Gould, the contents of his will, or at least the substance of it, were made public in the press. The will itself remained under lock and key in the safe of ex-Judge John F. Dillon, counsel for the executors.

"The original will," said ex-Judge Dillon, in giving out the summary, "is dated December 24, 1885, during the lifetime of Mr. Gould's wife. It made various provisions for her benefit which failed of effect by reason of her death before the death of her husband. After and in consequence of her death, Mr. Gould, on February 16, 1889, executed the first codicil to his will, making such changes as became necessary. A second and a third codicil were executed on November 21, 1892.

"Taking the wills and codicils together the summary I give you is accurate and complete."

The specific legacies came first. The three sisters, who with their brother Abraham got \$25,000 and an annuity of \$2,000, were Mrs. Sarah Northrup, Mrs. Anna G. Hough and Mrs. Elizabeth Palen. Mrs. Northrup and her daughters received in addition the three lots of ground in Camden, N. J., on which their dwelling is erected. The annuities were to be paid in equal sums quarterly.

To his daughter Helen M. Gould he gave in fee-simple absolute the house in which he lived, No. 579 Fifth avenue, and all of the furniture, books, paintings, statuary, silver plate and household contents therein. He also gave to his daughter Helen, until his youngest child shall arrive at age, the use of his residence at Irvington, commonly called Lyndhurst, free of taxes, and of all the furniture, books, paintings and household contents therein, and also the sum of \$6,000 per month. The will stated that this was done in the expectation that his minor children, Anna and Frank J., as well as his son Howard, would during the period provided for make their home with his daughter Helen.

The \$500,000 to his namesake and grandson, Jay Gould, son of George J. Gould, was to be held in trust by George J. Gould, with authority to apply the same to the support and education of the child, and to pay one-quarter of the same to him at the age of twenty-five, one-quarter at the age of thirty and the remaining half at thirty-five, with power to pay the same at earlier periods in the discretion of his father.

The bequest to his son George J. Gould was in substantially these words:

“My beloved son, George J. Gould, having developed a remarkable business ability, and having for twelve years devoted himself entirely to my business, and during the past five years taken entire charge of all my difficult interests, I hereby fix the value of his services at \$5,000,000, payable as follows: Five hundred thousand dollars in cash, less the

amount advanced by me for the purchase of a house for him on Fifth avenue, New York City; \$500,000 in Missouri Pacific 6 per cent. mortgage bonds; \$500,000 in St. Louis, Iron Mountain and Southern railway company consolidated 5 per cent. bonds; \$500,000 in Missouri Pacific railway trust 5 per cent. bonds; 10,000 shares of Manhattan railway stock; 10,000 shares of Western Union stock, and 10,000 shares of Missouri Pacific stock—all to be taken and treated as worth par."

He appointed as executors and trustees of his will his sons George J. Gould, Edwin Gould and Howard Gould, and his daughter Helen M. Gould, with a provision that in case a vacancy should occur by death or otherwise his son, Frank J. Gould was to be an executor and trustee when he shall have reached the age of twenty-one years, and in case of another vacancy he appointed his daughter Anna Gould, to fill such vacancy when she shall have reached the age of twenty-one years, no bonds to be required.

George J. Gould and Helen M. Gould were appointed guardians of Anna Gould and Frank J. Gould during their minority.

All the rest of his estate was devised and bequeathed to the said executors and trustees in trust; first, to divide the same into six equal parts or shares and to hold and invest one of such shares for each of his said children, George J. Gould, Edwin Gould, Howard Gould, Frank J. Gould, Helen M. Gould and Anna Gould, with authority to collect and re-

ceive, pay and apply the income thereof to each child for life, with power to each to dispose of the same by will in favor of issue, and in case of death without issue the share of the one so dying to go to the surviving brothers and sisters and to the issue of any deceased child, share and share alike, per stirpes, and not per capita.

He directed that these trusts should be kept separate and distinct, and that the accounts thereof should be kept separately; that no deduction should be made by reason of any gifts or advancements heretofore made to or for any of his children.

In case of difference of opinion among the executors and trustees as to holding and retaining securities or investments in managing the estate, he directed that so long as there shall be five executors and trustees the decision of four should be conclusive, and when four the decision of three should be conclusive, with this further provision in the codicil of November 21, 1892:

"The better to protect and conserve the values of my properties, it is my desire, and I so direct and provide, that the shares of any railway or other incorporated companies at any time held by my executors and trustees or my said trustees, shall always be voted by them or by their proxies at all corporate meetings as a unit; and in case my said executors and trustees or my said trustees do not concur as to how such stock shall be voted, then, in view of the fact that my son George J. Gould has

for years had the management of my said properties, and is familiar with them and with other like properties, I direct and provide that in such event his judgment shall control, and he is hereby authorized and empowered to vote the said shares in person or by proxy in such manner as his judgment shall dictate."

There was the usual provision that the property of his daughters was for their sole and separate use, free from any estate or control of their husbands, and prohibiting all dispositions or changes by any of the legatees by way of anticipation or otherwise.

There was a provision that if any of his children should marry without the consent of a majority of the executors and trustees, then the share allotted to such child should be reduced one-half and the other half of such share should be transferred to such persons as under the laws of the state of New York would take the same if the testator had died intestate.

Who were the witnesses to the Gould will was not divulged by ex-Judge Dillon; nor was it known who drew the will. Judge Dillon said that he didn't. It was thought probable that Gen. Swayne, who was formerly in partnership with the judge, was the man, but he declined to say. There were many who believed that Gould himself drew the will. A gentleman who knew Mr. Gould very well said:

"From what I know of Mr. Gould, however, I believe he drew it himself. He was naturally a very secretive man, and any important undertaking he

kept to himself as much as possible. He was an able lawyer, and certainly had sufficient knowledge to have made the will."

In spite of Mr. Gould's great interests his executors found his affairs in very trim shape. Something less than two years ago, in conversation with Mr. Connor and Mr. Morosini, Mr. Gould remarked:

"If I should die to-night my affairs are in such shape that my executors could straighten everything out in less than forty-eight hours after my death."

Many different estimates have been made of the amount of the fortune of Jay Gould, but nothing has ever been told by him, nor did the will reveal anything definite about it. Little difference does it make whether it was \$70,000,000 or \$170,000,000, so long as it was the greatest that ever one man accumulated in his lifetime.

Mr. Gould never intended that anybody should know while he was living, and he saw that his wishes were carried out in the matter. Sixty millions is the figure most frequently mentioned, but generally as a minimum, with a round hundred millions as the other limit.

The New York *Tribune* published the following estimate of his fortune the morning after his death, and it is probably as accurate as any that can be made without access to the will and the records themselves:

"There is considerable divergence in the opinions of men who are acquainted with Mr. Gould's affairs as to the value of the estate which will fall to his

heirs. Although his investments have been known to be in certain distinct lines, the reticence of Mr. Gould with regard to many of his transactions has left a considerable margin between maximum and minimum estimates. The character of many of the securities which are his is also so unsettled that there is room for an extreme range of estimates. First in the list of his investments are Western Union and Manhattan, and there is little doubt that his holdings in these two properties aggregate from \$35,000,000 to \$40,000,000 market value. Of Missouri Pacific stock he may have held from \$9,000,000 to \$11,000,000, and at current prices the value of his holdings of this property probably reached \$5,000,000. The Missouri Pacific system is so complicated with bond issues that it is difficult even for his friends to make a trustworthy guess as to his possessions of the various issues of bonds. Counting in the St. Louis and Iron Mountain issues, the different bonds of the various lines embraced in the Missouri Pacific system and the consolidated issues on the system were held by Mr. Gould to the extent of \$20,000,000 or more in market value. He was credited with holding about 220,000 shares of Western Union stock and something like 110,000 shares of Manhattan. At the recent Stock Exchange figures the value of these two interests may be conservatively placed at \$36,000,000. Mr. Gould's investments in Wabash are large, but their market worth is not commensurate with the par value. It would be a generous estimate to place these hold-

ings at a value of \$10,000,000. The same amount may represent Mr. Gould's holdings of the securities of the Texas and Pacific railway. It is difficult to say how largely he was interested in Union Pacific securities, but he was a holder of about \$2,000,000 collateral trust notes of the Union Pacific, taken as security for money advances.

Mr. Gould was never known as a large investor in government bonds. He is said, though, to have subscribed liberally to the debenture bonds of the New York Central. A mass of miscellaneous securities must be counted in the aggregate, including bonds of coal properties on the line of the Missouri Pacific, southern ventures and a host of bonds and stocks of varying degrees of worth and promise.

The possessions of Mr. Gould at Irvington-on-the-Hudson and his home in this city may be estimated at \$1,000,000. Far more than this amount has been invested in the two properties, the decorations of the Fifth avenue house and the extensive conservatory alone commanding the expenditure of important sums. It is also said that Mr. Gould owns considerable real estate in the West. He is understood to have considerable property in St. Louis which is productive, and he is believed to have made purchases of improved property in Chicago after the World's Fair enterprise became assured of success. But much of his real estate investments in Texas and other parts of the Southwest, and in Southern California, is of a nature that does not yield immediate returns.

There is an agreement among several men who have means of estimating Mr. Gould's wealth that its aggregate value may be placed around \$100,000,000. A few estimates carry the value higher, while the conservative view would put the sum at \$80,000,000 or \$90,000,000. Russell Sage estimates his friend's estate at \$100,000,000, but Washington E. Connor is said to have placed his estimate at a considerably smaller figure. Another man, who has some knowledge of Mr. Gould's affairs, stated that Mr. Gould had an annual income of \$5,000,000, and that, considering the character of much of the property held by Mr. Gould, it was safe to say that this income must be based on a principal of \$100,000,000 or more. Allowing for the difference in estimates made by those persons who should know the facts, it is believed that the following table presents to as close a degree as is possible the current value of the Gould estate, and of its principal constituents:

<i>Holdings.</i>	<i>Estimated Value.</i>
Western Union stock.....	\$22,000,000
Manhattan stock.....	14,000,000
Missouri Pacific stock.....	5,000,000
Missouri Pacific system bonds.....	20,000,000
Union Pacific stock.....	5,000,000
Union Pacific bonds or notes.....	2,000,000
Wabash stock.....	3,000,000
Wabash bonds.....	5,000,000
Texas and Pacific stock.....	5,000,000
Texas and Pacific bonds.....	5,000,000
Other securities.....	10,000,000
Real estate, etc.....	4,000,000
Total.....	\$100,000,000

Estimates made by other newspapers and other financiers, however, who have equally good authorities on which to base their opinions, vary all the way from \$50,000,000 to \$150,000,000.

In calculating the amount of Mr. Gould's estate, the first difficulty met with lies in the fact that the records of his various companies by no means tell the story of his holdings in their securities. More even than many of his rivals, he has followed the policy of getting along without going through the formality of letting the extent of his ownership appear on the books of the companies. Besides, although he reduced the number of his investments in the last few years—at least the street says he did so—he had interests extending over a wide field.

In only one branch of investments did Mr. Gould do very little, and that was in real estate. His possessions of real property were far smaller than those of many men not one-tenth as wealthy. He had his place at Irvington which represents \$750,000 to \$1,000,000, and his Fifth avenue house, worth \$300,000 to \$400,000. Several years ago he bought real estate in St. Louis, which the Missouri Pacific expected to use for headquarters. He paid \$150,000 for this piece of property, which is supposed to be worth three times that amount now.

In spite of his policy of concentrating his holdings in his later years, the list of companies in which Mr. Gould had large interests is an imposing one. The principal corporations with which he was connected at the last include the Missouri Pacific rail-

road, the St. Louis and Iron Mountain, the International and Great Northern, Richmond Terminal, the Texas Pacific, the Union Pacific, the Wabash, the St. Louis Southwestern, the Manhattan Elevated road, the Pacific Mail Steamship Company, and the Western Union Telegraph Company.

Moreover, these corporations cover scores of smaller and subordinate companies. Through Missouri Pacific Mr. Gould was interested in something like fifty companies, and the other great systems would run the list of the subordinate concerns up into the hundreds. As president of the Union Pacific, Charles Francis Adams once testified that he did not know how many presidencies he held, and Mr. Gould would have had an excuse several times better than Mr. Adams possessed for not having at his finger ends the number of concerns with which he was connected. At his office yesterday nobody would venture to say what the list would foot up.

Mr. Gould was president of the Missouri Pacific, the Manhattan Elevated, the Texas Pacific, the St. Louis and Iron Mountain, the International and Great Northern, and a director in Richmond Terminal, Western Union and Union Pacific. He is credited with a control of the stock of the elevated road and a large amount of its bonds; with the largest individual holding in Western Union stock, besides stocks and bonds of its leased lines; a control of Missouri Pacific stock and large amounts of its bonds, particularly the new issues of fives; a large block of Wabash, the amount at times running up to 40,000

shares; an interest in Union Pacific, including, perhaps, 1,000,000 of the collateral trust bonds; heavy investments in the other lines known as Gould properties; a block of New York and Northern securities, and a control, with Russell Sage, of the St. Louis Southwestern.

In Wall street the Gould will was accepted with something akin to a vote of thanks. The satisfaction was in the fact that there was to be no partition sale, with the flinging upon the market of such a batch of easily affected stocks as Jay Gould had gathered. Even a partition of the securities in the will would have made many owners and possibly clashing of interests, where now one hand would cast the vote represented by this enormous aggregate of stocks. This voting power would rest absolutely and individually with George, and would make him even more than his father a power in Wall street, at least for a time.

Just now he is getting open praise even far beyond what appears in the will of his great business ability. Some who know him by his acts say that his weak points are his combative obstinacy and his penuriousness. Stories upon stories are told of his miserly disposition, but they come in large part from roysterers who looked upon the eldest son of Gould as under some sort of obligation to put up the cash for their festivities when out in company. George did nothing of the sort, but had a sharp account for each penny expended, and kept himself posted in prices of things from the highest to the lowest grade.

He has not his father's slow-moving anger so easily set aside for future use when an enemy was to be crushed. Instead, the young man is apt to flare up and show his hand to his own detriment.

When it comes to the fighting to hold his own against competition, which will be necessary in all of the properties left by the multi-millionaire, George will be met by a warfare entirely different from that directed against Gould senior. The fact that all the wealth, so to speak, is left in one pile, simplifies the war for its possession, and from this time on George Gould will be one of the best watched, best courted and very soon best hated men in America. His training has been a very narrow one. He has not studied finance in any large school. Schooling of any sort has been distasteful to him, and while not positively illiterate, he has no taste for books even on financial questions, but has a tremendous head for figures and loves plenty of bustle in his work.

The lack of charitable bequests did not surprise Wall street, but there was no dearth of comment on the matrimonial board into which four of the children have been constituted, with the two Mrs. Goulds as *ex-officio* advisory members. Bets were offered that if the other members of the household attempted to act as a committee of the whole when an engagement was to be announced, that in some shape the intervention of lawyers would be necessary, and all the possibilities of this selection of bride and bridegroom by arbitration were discussed. As it stands now, an obstinate love match without

family consent may cost Howard or Frank, or Helen or Anna, a round sum of nearly \$8,000,000, and put this amount into the other five pockets of the present sextette.

The death of Jay Gould leaves vacant the presidency of the Missouri Pacific railway, the Texas Pacific, the International and Great Northern and Manhattan Railway Company. George J. Gould, it is expected, will take his father's place in these companies. In the Western Union company no position becomes vacant, except that of a membership of the board of directors.

George Gould is president of the Pacific Mail Steamship Company. He is first vice-president of the Manhattan railroad and of the Texas Pacific. He is second vice-president of the Missouri Pacific and the St. Louis and Iron Mountain road. He is a vice-president of the Western Union Telegraph Company, and a member of the executive committee of its board of directors. He is a director in the Wabash and the International and Great Northern. He is a member of the Stock Exchange.

Edwin Gould, the second son, has a shorter list of offices. He is president of the St. Louis Southwestern, a director in Western Union and a member of the executive committee, and a director in the Manhattan and Missouri Pacific railroad companies. He has done some very successful work in finance, and has been counted a very shrewd operator from the beginning of his business career. The story is told of him that when he was starting out in

money-making his father decided to test his mettle, and was highly delighted when the youth came out of the conflict with flying colors. Edwin Gould is a member of the Consolidated Exchange.

Howard Gould, the third son, is getting his first experience in business. He has been given as a start a seat in the directorate of the International and Great Northern Railroad Company.

Considerable interest attaches to the liability of the Gould estate for the payment of an inheritance tax. While the terms of the will are of course not known, and the question of public bequests is not settled, the Wall street idea is that such bequests, if they exist, are not likely to cut into the total to any appreciable extent. Under the laws of 1892 property bequeathed to Mr. Gould's children will be liable to a tax of 1 per cent. Section 2 of chapter 399 says:

"When the property or any beneficial interest therein passes, by any such transfer, to or for the use of any father, mother, husband, wife, child, brother, sister, wife or widow of a son, or the husband of a daughter, or any child or children adopted as such in conformity with the laws of this state, or to any person to whom any such decedent, grantor, donor, or vendor for not less than ten years prior to such transfer stood in the mutually-acknowledged relation of a parent, or to any lineal descendant of such decedent grantor, donor, or vendor born in lawful wedlock, such transfer shall not be taxable under this act unless it is personal property to the value of \$10,000 or more, in which case it shall be taxable under this act at the rate of 1 per centum upon the clear market value of such property."

The next section makes the tax a lien upon the property until it is paid. The tax is to be collected by the controller of the county. Payment within six months gives a discount of 5 per cent.; if it is not made in eighteen months a penalty of 10 per cent. is provided. The controller's fee is 5 per cent. on the first \$50,000 of the tax, 3 per cent. on the second \$50,000, and 1 per cent. on the rest. The balance of the tax is to be paid into the State Treasury.

A tax of 1 per cent. on the estate should yield from \$650,000 to \$1,000,000, according to which of the limits on the estimate approaches the real valuation. The controller accordingly would figure on a fee of from \$8,000 to \$13,000.

It was said at the corporation counsel's office that if it shall be proved that Mr. Gould has left his personal property, especially his railroad interests, in hands of trustees for a term of years, the interest to go to his children, the fact that the estate is in the hands of trustees cannot prevent the state from levying and collecting the inheritance tax.

Said one of the assistant corporation counsels: "If Mr. Gould could by the terms of his will, by deed or gift or otherwise, make such a disposition of his estate as to render the law in such cases nugatory, his children and heirs to the remotest generation, when they came to devise their property, could do the same thing, and the estate would thus be perpetually barred of its rights. I believe that the personal estate that Mr. Gould has left for the benefit of his children, no matter in what form,

is taxable at 1 per cent. All property left out of lineal descent would be taxed at 5 per cent. on its clear market value."

In spite of Jay Gould's many millions, he was down on the tax-lists for very modest amounts. He seems to have had as much ability in keeping down his taxes as in piling up his millions. Despite his immense accumulations, he paid taxes on only \$500,000 in personal property. The real estate on which he paid directly was confined to the Grand Opera House, of which he was the owner, and to his home on Fifth avenue. At one time he also paid the taxes on his son's home on East Forty-seventh street, but after that formally passed out of his possession he was, of course, relieved from paying any further taxes on that property.

Notwithstanding the very conservative estimate placed upon the value of his personal holdings, Mr. Gould tried, a few years ago, to escape paying any personal taxes at all in this city. He urged the familiar plea of outside residence, and because he paid personal taxes in Westchester county on his belongings at his country home at Irvington, insisted that he was being unfairly treated in being compelled to pay even on that supposititious \$500,000 of personal property in this city. He did not press the matter, however, and continued to allow his personal property to be placed on the tax-list at \$500,000.

Commissioner Baker, of the tax department, said that it was impossible to tell just what Mr.

Gould's holdings in real estate in New York really amounted to.

"Real estate," Mr. Baker explained, "is entered on the books of the tax department by number only. The only way to get any idea there as to the ownership of a piece of property is to see who paid the taxes on it. According to this test, the real estate on which Mr. Gould paid taxes in New York is confined to his residence. The Manhattan Railroad Company is a large holder of real estate, but the company pays its own taxes, of course, and the only place Mr. Gould's name appears on the tax department books is in relation to his residence and the admitted \$500,000 of personal property."

Ex-Tax Commissioner Coleman added the opera house property to the list that Mr. Gould paid on personally.

"The peculiarity of the matter," said Mr. Coleman, "is that Gould was never really in business in New York City. His wealth was very largely in stocks that had no particular value by themselves and that were not even on the market. He made his money by taking hold of almost bankrupt companies, getting control of the common stock that had no particular value beyond its voting power, and then by manipulating things to his own interest.

"Besides, his various railroad stocks, like the Union Pacific, Wabash, Texas and Kansas Pacific, were not assessable. The bonds that were assessable were generally those of roads that had been reorganized and reorganized till any estimate of value

became a pure matter of guesswork. Then he could come in and swear down the valuations."

The tax commissioners are compelled to take any man's affidavit as to the value of his personal property, and, as Commissioner Baker put it, "Where it's a question of dollars and cents, we find every man's conscience becomes rather pliable."

Mr. Gould seems not to have cared to pass as an exception to so well-established a rule, and hence the modest estimate he placed on his earthly possessions for the purposes of the tax collector. As a result of this trustful feature of the assessment laws, \$25,000 a year is said to be an ample estimate for the entire amount of annual taxes Mr. Gould paid on his variously estimated millions.

## CHAPTER XIX.

### JAY GOULD'S RELATIONS WITH THE PUBLIC.

THERE are interesting features of the life of Jay Gould regarding his relations with the public, the church, the press and the people whom he met.

Jay Gould was not what is called a religious man. He was a pewholder in the Presbyterian church at Irvington and in the Rev. Dr. Paxton's church on West Forty-second street, but not a communicant. If he ever expressed any religious views it was to the Rev. Dr. Paxton. Certainly he did not to the Rev. Dr. Henry M. MacCracken, chancellor of the University, nor to the Rev. Roderick Terry, with whom he was on intimate terms of friendship. Dr. Terry said:

"There was no pretense about Mr. Gould. He never made any public profession of Christianity that I know of. On the subject of religion, as on so many others, he was extremely reticent, unless he unbosomed himself to his pastor, Dr. Paxton. He certainly never talked with me about his feelings on the subject of religion, though the opportunity offered more than once."

Mr. Gould's wife was a member of the South Reformed church for many years, but afterward became a Presbyterian. The millionaire of late years



JAY GOULD'S PRIVATE CAR AND HIS YACHT "ATALANTA."



had been a frequent attendant at the Rev. Dr. Paxton's church and at the Presbyterian church at Irvington-on-the-Hudson, near his country place. An old friend of the family said that when a very young man Jay Gould became converted at a Methodist revival meeting. This gentleman said:

"When Jay Gould was a young man he was converted in a Methodist church at Roxbury, Delaware county, N. Y. The Rev. Mr. Dutcher, father of Rev. E. C. Dutcher, now pastor of the Methodist Episcopal church in Nyack, Newark conference, was pastor in charge of the Roxbury church. The elder Mr. Dutcher was holding a series of revival meetings. The little Delaware county church was crowded night after night. .

"At one of the meetings, after a specially earnest appeal by the venerable preacher, young Gould went forward to the altar and professed conversion. He subsequently connected himself with the Presbyterians. The late Rev. Dr. Jacob West, then corresponding secretary of the Board of Foreign Missions of the Dutch Reformed church, preached a number of times in the Roxbury Reformed church. Gould always attended, and the Rev. Dr. West frequently said Gould was always a remarkably attentive listener."

Mr. Gould's name was discussed most prominently in connection with church work last February, when he gave his check for \$10,000 to the Rev. Dr. John Hall. The circumstances aroused much comment and considerable unfavorable criticism.

On Tuesday evening, February 23d, the Gould mansion was handsomely lighted up. Over one hundred invitations had been issued by Mr. Gould and his daughter, Miss Helen Gould, to prominent Presbyterians and members of the Presbyterian Board of Church Extension. It was understood by those receiving the invitations that the reception was solely for the purpose of raising funds. Mr. and Miss Gould received the guests. They were assisted by Mrs. Russell Sage and Mrs. J. P. Munn. The Rev. Dr. Paxton said, in the course of his opening address to the guests:

"When I asked Mr. Gould about opening his home for a meeting of the friends of Presbyterian church extension, without hesitation or deliberation he and Miss Gould said at once, and said it cordially: 'Certainly, with great pleasure,' and Mr. Gould added: 'I believe in church extension on Manhattan Island.' But Mr. Gould has taken another step in the right direction, for since he asked us here—Mr. Sage told me this—Mr. Gould, who is superficial in nothing, wanted to know what church extension is, and what church ought to be extended, and so he read our confession of faith.

"I am not certain of that, for he and the revision and new creed people would not agree; he is old school; he believes in obeying marching orders, like Wellington; in walking in the old paths, like the *New York Observer*. But one thing, Mr. Sage told me, our host has made up his mind on, and that was that our form of church government was the most

just, the most republican, the best in the world. Therefore, our host is not only in favor of church extension but of Presbyterian church extension. He wants no popery, no prelacy, no three orders in a church in a land where all are equal in rights and before the law. I am sure this information will warm Dr. Hall's heart and impart to his speech increased fervor when he speaks to-night.

"We are here to face the foe, to take heart of hope, to give our money, our prayers, our tribute, our toil, knowing no such word as fail, to this good cause of extending, as Mr. Gould says, the only true, holy, catholic, American church - our old blue-bordered Presbyterian denomination."

"I have never met Mr. Gould but once before," said the Rev. Dr. Hall, "and that was many years ago. A gentleman in Chicago wrote me regarding a missionary, who had been called back from China by the illness of his wife. The wife had recovered after the missionary's return, and the couple wanted to return to China again. The Chicago gentleman wanted to know if I could not secure a free pass for the man. I went to the railroad authorities, and was referred to Mr. Gould.

"I entered the room with fear and trembling and with many misgivings. I had never seen Mr. Gould, and you can all sympathize with my feelings. He received me cordially and listened to all I had to say. He said he thought it was a very deserving case and asked me to leave a memorandum of it. The next day I received a communication from him

containing a ticket for the railway journey and another for the missionary's passage to his destination."

About \$20,000 was subscribed at this reception, and Jay Gould gave his check for \$10,000. The Rev. Dr. Parkhurst was among those who criticised the affair as an ostentatious display of wealth in the name of religion. He wanted to know where Mr. Gould got that \$10,000.

The religious side of Mr. Gould's life, so far as the public knew anything of it, was fully told at this church-extension reception.

Mr. Gould was interested in the extension of the University of the City of New York. Chancellor MacCracken said:

"Mr. Gould was very much interested in the university from his interest in telegraphy and telegraph lines and the fact that in this building the first telegraph had its home. Prof. Morse labored here fifty-five years ago, and was assisted by two of the university's professors, Profs. Gail and Vail.

"I had known Mr. Gould for five years, and from the beginning of our acquaintance he evinced an interest in the close relation between the university and telegraphy, and he made it a favorite subject of conversation. He made the largest single subscription toward our purchase of the uptown grounds, \$25,000, and he gave an additional conditional pledge which I have never made public and shall not yet."

In his active, tempestuous business career one might infer that Jay Gould had little time and less

inclination to take up charitable work to any extent. As a matter of fact, what little is known of him in this connection became public within a very recent period. His friends say he gave largely and was generous to a degree when he was assured of the genuineness of a reported case of distress. He never, so far as can be learned, made use of any public organization in the disbursement of funds for any charitable object. Whatever he did he preferred to do with his characteristic secrecy.

He was greatly influenced by his family in giving, and through his children quite a large number of institutions were aided by the money of the financier. For instance, his daughter Helen, of whom he was exceedingly fond, is interested in many organizations engaged in charity work. Through her Jay Gould has given frequently and largely.

A pretty story is told of the charity organization society that existed in Mr. Gould's own household. Its sessions were held each morning after breakfast. Like other rich men, he was assailed constantly with showers of begging letters. These were regularly sorted out every morning, and each member of the family chose as many from the pile as desired until none were left. If a letter appeared to describe a case of real need it was placed in the center of the table. The others were burned.

Then ensued quiet investigation, conducted as secretly as the operations of the closest detective bureau. People in want were given aid commensurate with the needs of the particular case, but

were never able to thank the donor, for the identity of the giver was never disclosed. In this way, it is said, many hundreds of poor people were relieved.

Another method employed was to look up cases of distress independent of the petitions poured in by mail. To just what extent this charitable work was carried on will never be known, for those conversant with it will not speak of it.

Mr. Gould's name is unidentified with any great public benefactions. Astor and Tilden founded libraries, Drew established a theological seminary, George I. Seney distributed millions and Vanderbilt endowed a hospital, but Gould's purse was never opened by any such generous ambition. He was kind to his relatives, gave his brother a good position in the Missouri Pacific railroad and built his sisters a school in Camden. He gave liberally to alleviate the suffering by the Chicago fire and by the Memphis yellow-fever plague, made big subscriptions to the Grant and Garfield funds, and added eighty acres to the Mount Vernon property. This was nearly all he did in a public way. Gould's politics sprang from his pocket, not from his patriotism. He has already been quoted as saying that "in Republican districts he was a Republican, in Democratic districts a Democrat, and in all an Erie man." But Mr. Gould was more a Republican than anything else, for he obtained, or thought he could obtain, more recognition and protection from that party than from the Democratic. The Republican party was the party of large land grants, of liberal

appropriations and of corporation tendencies. In presidential elections Mr. Gould often contributed heavily to the Republican campaign fund, and his check was always solicited and joyfully received. In 1880 his money was probably part of that which bought Indiana for the Republicans, and it was charged that he obtained reward from President Garfield in the appointment of Stanley Matthews as associate justice of the Supreme Court, whose views relative to the Pacific railroads and other corporation questions were understood to be favorable to Gould. This charge, of course, was hard to prove, and may be unjust to both Garfield and Matthews.

In 1884 Gould supported Blaine. He was present at the celebrated millionaire dinner given to Blaine at Delmonico's two or three evenings before the election, and which, with the Burchard incident, probably turned the evenly-balanced scales of public opinion against the Maine statesman. Gould's money was powerful and his presence was contaminating, and the public distrusted any of its servants who seemed to be friendly with him.

One of the most sensational stories about Mr. Gould's career is told by a prominent politician now in Washington.

"His next appearance here after the 'Black Friday' excitement," said the politician, "was when he tried to bribe Congress to let up on the Union Pacific railroad, which then owed the government \$1,000,000,000. He desired the passage of a bill giving favorable terms to the railroad in adjusting

its outstanding liabilities with the government. Huntington was here with Gould. Money was plentiful as water. As one man who got some of it said, 'All that was necessary to do was to stretch your hand and take it.' Gould, flushed by success with his own creatures, fancied he could buy a majority. In fact, he thought he could buy the entire Congress if he desired. He went into a prominent senator's room on Fourteenth street whom he knew slightly. He told him he wanted to talk to him about the pending bill. 'Mr. Gould,' the senator replied, 'if you want to see me about public affairs, you will have to call on me at the senate.'

"'But I don't want to go to the senate. I won't go there. I want your assistance and I desire to make it worth your while to assist me.'

"'Mr. Gould,' said the senator, rising and pointing to the door, 'oblige me by leaving my rooms.'

"Gould, dumbfounded, went. But he was more successful elsewhere. He needed forty votes. I saw a list on the day the debate was to end. It contained the names of forty-three senators who were to vote for the bill. I called old Thurman out. I told him he was beaten. He asked why. 'Because,' I said, 'Gould and Huntington have forty-three votes.' He said it was impossible and I told him of the list I had seen. He wanted the list. I doubted my ability to get it. 'You must get it,' he said. I was a correspondent, and after a while secured the list and copied it for my paper. Then I showed it to

Thurman. He put on his glasses, took a pinch of snuff, read the list, and exclaiming, 'This is just what I want,' rushed into the senate.

"When Stanley Matthews, one of Gould's creatures, who was speaking, sat down, Senator Thurman rose to close the debate. I was in the press gallery. Gould and Huntington sat in the senators' special gallery with the list of their creatures in their hands to check off every senator as he voted in order that they might know who were faithful to their bribes. They smiled pityingly when the old Roman began. They did not believe in integrity. To them every man had his price, and they had paid the price of a majority—Thurman's speech could not hurt them. It was a magnificent speech. Thurman rang all the changes and his honest face, his earnest voice, imposing presence and piercing eyes made many a public bribe-taker wince. His eloquence was wonderful, and toward the last the smile of pity on Gould's face gave way to a look of anxiety and that to fear. When in ending, the old Roman, rising to his fullest height, cried out: 'It has been charged that mighty millionaires have purchased a majority of this senate; that they have collars around the necks of forty-three. There are circumstances which suggest, if they do not prove, the correctness of that charge. Can it be true? A list has been prepared containing the names of the forty-three. Here it is.'

"He took it from his pocket, and while many a face blanched he read it. 'And now,' he concluded

after an almost breathless silence, 'now we will see if the charge be true.'

"Well, the vote was taken. Before it was half over I knew that most of the forty-three had taken to the woods. Blaine, Matthews and Hill, of Georgia, I remember, stood their ground and voted for Gould; but when the clerk footed up the vote it was found that Gould had, instead of forty-three, only fifteen votes. His face was black with rage, and so was Huntington's. It was a hard day for them, but it was a glorious one for Thurman, and to him the country owes a debt of gratitude."

No man in the country had a wider audience than Gould. Whatever he had to say was sure of publication in every newspaper in the land. Journals that continually denounced him would print everything he had to say as a matter of news. Gould was always an interesting figure. The public never tired of reading about him, his operations, his yacht, his home, his daily life. Every word he uttered was eagerly reported and his movements were watched as closely as the President's. In his later years he was quite accessible to newspaper men, and they found him not averse to the process of interviewing if he had anything to say. The *Tribune* and *Sun* were his favorite mediums of communication with the public, because they seldom attacked and often defended Gould. Indeed, they were looked upon as his personal organs during a part of his life. But Gould would frequently give interviews to other papers. He recognized the fact that the papers which opposed

him were of the widest circulation and influence, and that if he had anything to say it was time to give it to the largest circulation. The *World* was foremost in denouncing his operations, but he was often pleased to reach the public through its columns, even if his words were accompanied with severe editorial criticism. Mr. Gould was a good talker; he possessed the art of saying little or much, as he pleased. The most skillful of interviewers could not trap him into saying something which he did not wish to say. When he got through he would stop, and no amount of ingenuity could induce him to continue. Mr. Gould was fond of testifying to the honesty and good faith of newspaper men. When he knew his man he said he could trust him not to betray him. But Gould almost invariably insisted on seeing the proof-sheets of the interview before publication.

From 1880 to 1883 Mr. Gould owned the *World*. We have his own word (in an interview in the *World* in June, 1883) that he purchased the control of the paper from Col. Tom Scott, the famous Pennsylvania railroad king, as a part of a negotiation which included also the purchase of the Texas Pacific railroad. Mr. Gould said that Col. Scott appealed to him at Berne, Switzerland, in 1879, to take the road and the paper off his hands. William Henry Hurlbert, who was editor of the *World* under Gould, gave a different version of the transaction, claiming that the purchase from Col. Scott was the result of a negotiation opened by Mr. Hurlbert with Mr. Gould,

The *World* did not thrive under the ownership of Gould. It did not possess public confidence. The paper was used as an instrument in Gould's Wall street operations. Brilliant editorials could not redeem it from the withering influence of Gould's name. Its circulation had shrunk to 15,000 when Mr. Joseph Pulitzer purchased it in May, 1883.

After church, charities, politics and the press, the relations of Mr. Gould with his employes are interesting to notice.

Mr. Gould was not a believer in cheap men. In the employment of help he regarded economy as poor policy. In the various branches of his extended business he aimed to secure the best men possible, and he was never known to dicker over the amount of pay. His conspicuous success in avoiding the legal shoals through which he was obliged to thread his way during his eventful career was due mainly to the fact that he always had in his employ the very best legal talent that money could procure.

The story about Mr. Sage and his office boy has been frequently told in Wall street, but it has never appeared in print. Mr. Sage had an office boy who had been with him for several years, was familiar with his methods and moods, and understood perfectly well the status of each of Mr. Sage's customers. The boy was alert, tactful and faithful, and in due course of time received tempting offers to leave Mr. Sage's employ. He, however, stuck to Mr. Sage for a long while, imbued with the false hope of advancement.

The boy's salary was \$15 a week, and when he told Mr. Sage one day that he had been offered \$25 a week to go elsewhere, Mr. Sage coldly told him that he had better go, and he went. Jay Gould happened in Mr. Sage's office a few days afterward and casually remarked: "Why, where is John?"

"Oh! he has left me," said Mr. Sage. "He got extravagant notions in his head and I had to let him go. But I've got a new boy and I save \$3 a week on his salary."

"You do, eh?" remarked Mr. Gould, with undisguised disgust. "Well, have you figured how much you will lose on his blunders?"

When Col. F. K. Hain was made general manager of the elevated railroads in this city, he was unknown to Mr. Gould. It was not long, however, before the quiet little millionaire began to take a lively interest in him. Col. Hain possesses qualities which excited admiration in Mr. Gould's breast. One day, not many years ago, Mr. Gould, as president of the Manhattan Railway Company, received Col. Hain's written resignation. In great surprise he sent for Mr. Hain and asked him to explain the reason for his resignation.

"Mr. Gould," said the colonel, "I have received from the Reading Railroad Company an offer of the position of general manager at a salary of \$12,000 a year, and in justice to myself and my family I do not think that I ought to refuse it."

"How much are you getting here?" asked Mr. Gould.

"Six thousand five hundred dollars a year," replied Col. Hain.

"Is the increase in salary your only reason for your resignation?"

"Yes, sir."

"Will you stay with us for \$15,000 a year?" asked Mr. Gould.

"Certainly," responded Col. Hain.

"Very well, let it be so," said Mr. Gould. "And, Colonel, I am perfectly satisfied with your work. Never let a question of money come between us."

The loyalty of S. S. H. Clark, general manager of the Missouri Pacific and president of the Union Pacific, to Mr. Gould has been the subject of frequent comment. Mr. Clark is by no means a low-priced man, and the fact that he has long been one of Mr. Gould's trusted lieutenants means that he has not worked for low pay.

It is related that the Atchison people once tried to get Mr. Clark to enter their employ by offering him an advance of \$10,000 on the salary the Missouri Pacific company was giving him. Mr. Clark promptly refused the offer and said nothing. Mr. Gould, however, heard of the matter from other sources, and on the Christmas day following Mr. Clark received a check for \$50,000 with a short note which read: "A merry Christmas to my loyal friend.—Jay Gould."

"During the big strike troubles in the Missouri Pacific," said one broker, "one of the employes who stood by the company was shot and killed. I en-

tered Mr. Gould's office a few days later and found him making out a check. As I approached the desk I saw that the check was for \$5,000, drawn to the order of the widow of the murdered man. Mr. Gould quickly turned the paper face downward.

"'You are too late, Mr. Gould,' I said. 'I unintentionally read the check.'

"He smiled a little as he quietly remarked, 'We must look out for those who stand by us.'"

## CHAPTER XX.

### A CHAPTER OF ANECDOTES.

WHILE it is true that Gould loved to envelope his transactions in mystery, and was a master of the art of keeping silence, and though during most of his life he was engaged in financial intrigues and occult speculations, yet the main facts of his life can be found in the official records of law cases and the numerous legislative and congressional investigations that were held on many of his transactions. The facts of this volume are not to be understood as doing Mr. Gould an injustice, for almost the worst things that are said about him are the ones to which he himself testified under oath.

The greatest financial transaction ever consummated in America is believed by many people to have been the creation of the Union Pacific Railway Company by Jay Gould. By a stroke of financial genius at once bold and adroit, he consolidated into that corporation other great railroad companies, assuming control of all. It will be remembered that the Union Pacific Railroad Company and the Union Pacific Railway Company are two distinct corporations. The former was the original company.

It was in 1873 that Gould went into Union Pacific. He bought about \$10,000,000 of the stock,

had it bound into a book and put it in a safe, as he told a friend at the time, "for his wife and family as an investment." In 1878 Gould conceived the idea of a grand *coup*, and this was carried out so successfully that in sixty days he had made terms which netted him about \$21,000,000 in profits.

He first ran over to Amsterdam from London, arriving there late in the morning. At 10 A. M. that day he notified the Dutch bondholders of the Denver Pacific that he would be pleased to meet them at 11 o'clock. Promptly at that hour he met them, and at 12 he left Amsterdam with his gripsack full of the securities of the Dutch bondholders. By this means he captured control of the Denver Pacific. Inside of ten hours he bought out Commodore Garrison's interest in the Missouri Pacific. He bought out ex-Governor Ames' interest in the Central Branch of the Union Pacific, and he had previously formed a pool by which he acquired control of the Kansas Pacific.

One day the Union Pacific directors awoke to the alarming discovery that Mr. Gould had dropped out of their organization and was surveying a line from Denver to Salt Lake City. The Kansas Pacific was utterly worthless, the Central Branch had not earned any money for years, the Denver Pacific had been in very bad shape; but when the Union Pacific directors discovered the extent of Mr. Gould's combinations they lost no time in boarding a special car in Boston and rushing over to New York to see him about it. They went up to Mr. Gould's house and

were there gathered in by him on the consolidation of the three roads, all of their stock being exchanged at par and merged into the new Union Pacific Railway Company as distinguished from the Union Pacific Railroad Company.

This incident formed one of the subjects of inquiry committed to the Pacific Railroad Commission in 1887. The members of the commission appointed by President Cleveland consisted of Gov. Pattison, of Pennsylvania; E. Ellery Anderson of this city, and David Littler, of Illinois.

The Union Pacific railroad and the Kansas Pacific railroad companies had received government subsidies in bonds and lands. The bonds were received upon the stipulation that the companies would pay at par and accumulated interest upon their maturity. The first of these bonds will mature in 1895. An application had been made by the Pacific railroads to Congress to extend the time of payment, and this commission was appointed to report upon that matter and incidentally to furnish Congress with information relative to these deals which had affected the status of the corporations.

The commission began its sittings in this city, at No. 10 Wall street. A large number of railway magnates intimately connected with the Pacific railroads were first examined, including Russell Sage and Sidney Dillon. They were examined particularly with a view to finding out exactly what had taken place when the Union Pacific railway was created. They seemed to know nothing about the matter.

At every point the well-directed questions of the inquirers were adroitly turned aside. The witnesses did not know or could not remember. No light had yet been thrown upon the subject under examination. But the great witness of all was reserved for the last. This was Jay Gould. He knew it all, but the great question was, "Would he tell?" Nobody believed that he would tell voluntarily the facts relating to his connection with the government interest in the matter, but it was believed that a severe and searching cross-examination would compel him to divulge some of the facts. °

An immense amount of labor was gone through with in anticipation of the time when Jay Gould should take his seat in the witness chair. Men on the inside and familiar with the lines along which the inquiry should be directed devoted weeks to the study of figures and the procurement of papers upon which to base the questions which should be asked of Mr. Gould. Dozens of questions on the same subject were prepared. If he answered one question one way he was to be asked a certain question, and if he answered another way he was to be asked another question. In this way it was believed when Mr. Gould took his seat that the beginning of a long struggle was at hand.

That was on May 17, 1887. Mr. Gould wore a plain pepper and salt suit and a shabby silk hat. The examiners, all ready to level their batteries of questions at him, were dumbfounded when the first questions were asked and Mr. Gould blandly stated

his willingness and desire to afford all the information in his power. He seemed anxious to withhold no facts, to evade no questions, and to help the members of the commission in their work.

There being some uncertainty as to the exact route of some of the roads in question, Mr. Gould even took out of his pocket a little map and kindly enlightened the members of the commission as to the various localities, and said: "I had anticipated that possibly you might want to know what had been my holdings of various securities relating to this transaction, and so I instructed my bookkeeper to draw off a statement, which I now submit to you." He then produced a little memorandum covering about sixteen lines of writing, which covered all the facts and gave the cue to every feature of the transaction. Mr. Gould said he had kept books of all his transactions.

Q. Where are the books? A. I have them.

Q. Where? A. In my possession.

Q. Are they at the service of the commission?

A. If they desire them, with the greatest of pleasure.

This willingness to show the books created a profound sensation. Railway magnates worth many millions and controlling thousands of miles of road had one after another followed each other to the stand only to show that Gould was the one who pulled the strings, that they did not know what his intentions were in regard to the commission, and that he made up his mind upon a certain line of policy without consulting them. Many of these magnates were in

the room and they sat with open mouths and plainly evinced their astonishment when they saw Mr. Gould giving up the hitherto carefully guarded facts. Nothing more plainly showed the absolute mastery of Jay Gould over all the other railway magnates of the country.

Mr. Gould had several "doubles" who were constantly being mistaken for him.

Broker Sam Leopold, of No. 84 Broadway, for several years was known as Gould's double, but about a year ago he got tired of the distinction and had his beard cut to a point. During the campaign of 1884 he was offered \$20,000 to impersonate Mr. Gould. Conspiring brokers proposed that he smear blood on his face and roll on the sidewalk near the corner of Broad and Wall streets. Confederates were to be on hand to keep the crowd back till an ambulance arrived, and to say at intervals: "That's Jay Gould; he's fatally injured."

Further details of the plan were to have a carriage near Chambers street hospital for the purpose of taking "Mr. Gould" to his house. Of course Leopold's remarkably close resemblance to Gould would be sufficient to make the scheme work well, especially as a man was to have been posted at Irvington to telegraph that the millionaire was in his country home. Then the telegraph wires were to be "grounded" for a few hours. The tremendous excitement would naturally depress the Gould stocks, and, in sympathy, about everything would go down with a rush. The schemers were to take advantage

of this by selling short, and they expected to have at least from 10 to 2 o'clock in which to work this peculiarly daring manipulation of the market.

By the time the truth would be known the bold plotters would turn and go long of the market, on the recovery from the temporary shock, and at least two or three good-sized fortunes were expected to be realized by the double deal. Sam reluctantly declined the tempting offer. Although he wanted the \$20,000 awfully bad, he feared that he might be mobbed after the fright was over, and so the scheme fell through.

Leopold knew Gould very well, and they delighted to meet and look at each other. It is related that whenever Sam discovered a new gray hair in his whiskers he would hurry to Mr. Gould, only to find that the millionaire was also keeping tab on his white hairs, and the two accounts tallied exactly.

Some years ago Mr. Gould went to the Rocky mountains, where he wanted some surveying done in the neighborhood of Black Hawk in Colorado. He employed a surveyor and described the work he wanted done. The Indians were rather troublesome at that time and the surveyor said:

"I will have a good chance of getting scalped."

"Well," replied Mr. Gould, "I want this work done, and I want to know if you will do it."

"It will be a bad thing for my family if I am killed," said the man, "but I'll undertake the work."

"How much money would it take to make you independent out here?" asked Mr. Gould.

"I'd be well off if I had \$5,000," replied the surveyor.

The surveying was done, and one day, some months later, Mr. Gould asked Mr. Morosini what the surveyor's name was and directed him to send the man a check for \$5,000, with the remark:

"We'll make him the richest man in Colorado."

One of the stories told of Mr. Gould to illustrate his determination to die a rich man whatever happened was this: In 1884, when it was ascertained that Mr. Gould was in financial danger, he took from his safe \$11,000,000 worth of stock of the Manhattan and the Missouri Pacific railroads and stowed it away in an iron box, which he locked and sealed.

He resolved that that box should never be opened until after his death, and that no matter what happened the securities should not be touched. He carried the box, it was said, to the vaults of a safe deposit company, where it was locked up, and the particular vault in which it was placed was sealed, too. Instructions were given to the officers of the company that the seal on the vault was not to be broken until after his death, and then only in the presence of all of his executors.

Ex-Judge John F. Dillon knew Mr. Gould intimately. He first met the financier in 1879, and was his legal adviser in many of his undertakings.

"There were many distinct characteristics about Mr. Gould," said Mr. Dillon. "I never knew him to utter a profane word, and he was as delicate and sensitive in temperament as a woman. Mr. Gould

wrote and spoke capital English, but he never wrote a word that was not necessary. Judge Usher, who was Secretary of the Interior under Lincoln, an able and great lawyer, once said to me that he had bought a railroad for Mr. Gould, or in his interest, and had written out a contract covering two or three pages of foolscap. The judge, in telling of the incident, said: 'I sent the contract, which I considered a thorough document, to Mr. Gould, and he almost immediately returned it written out on a half page of paper of the same size. When I got the document and found it perfect in its condensed form, I felt ashamed of myself.' Mr. Gould was so self-reliant that he had little use for lawyers. He was his own negotiator and contract maker. When he bought the Iron Mountain road he showed me, the next day, a contract for that great purchase. It was a contract written out in his own handwriting on less than two pages of social note paper.

"He concluded the contract of the purchase of the Missouri Pacific without consulting his lawyers. When shown the contract the next day, his counsel told him he had bought a big lawsuit, and that title to the whole property was in question in the Supreme Court of the United States. He simply said, 'I have given my check for \$3,700,000, and the thing is closed. The seller would laugh at me if I went back and expressed a desire to rescind.' He thereupon directed his attorneys to take charge of the case and try to sustain the title of the property bought, which after years of litigation they did.

“But great as Mr. Gould was as a financier and railway manager, he would, if bred to the bar, have made a greater lawyer. That is a fact. I have seen him greatly provoked, but never saw him lose his temper or utter a threat. Nevertheless, he had a good memory, both for benefits received and injuries done. He was probably, in the language of Dr. Johnson, ‘a good hater without loquacity and pomposity.’ ”

A popular error about Jay Gould is the notion that he was invincible. In 1866 a promissory note for \$500 with his name went a-begging round Wall street at a heavy discount, yet he left a fortune estimated at \$100,000,000. If Gould had died poor, what would have been the general verdict on his career? And yet, only eight years ago he was on the verge of failure. This was after the panic of May, 1884, one of the few times that he was tempted into the stock market as a speculator in order to hold up the price of stocks with which he was burdened.

The late Charles F. Woerishoffer, Henry N. Smith, and other operators were united in a combined effort to bear the securities which Gould was carrying. He had supported them for a time by obtaining sterling bills, giving his securities as collateral and then converting the bills into cash. But sterling loans, like all others, come to maturity; the bears were as unscrupulous as himself, bold and skillful and persistent. Gould's Western Union fell to 49 and his Missouri Pacific to 62. He was beaten.

One morning he had his lawyers execute an assignment of his property, and on the following day—a beautiful Sunday morning—his yacht went down to Long Branch, where the bear operators were summering. Gould's emissaries landed and held a conference with his foes. They bore his ultimatum—a copy of the assignment and the statement that unless the bears made terms with him he would on the following morning file the assignment and give public notice that he was unable to meet his engagements.

At that time he was supposed to be borrowing some \$20,000,000, and his failure would create a bigger panic than the one the street had just passed through. Many of the firms with which the bear combine had "short" contracts outstanding would doubtless fail, and in the general crash the successful bears themselves might be heavy losers. After a protracted conference the bears agreed to "let up" on Gould on condition that he should turn over to them 50,000 shares of Western Union at the current market price, \$50 per share. This enabled them to make delivery of the shares they had sold at high prices. In speaking of this "deal" the following day, one of the bears expressed his confidence that Gould would have to fail anyhow—the help he received would be transient in its effect as a glass of brandy given to a dying man.

He was wrong. He underestimated the fertility of resource in Gould and his associates.

Many of the men in the financial quarter of New

York City the day of his death devoted their time to forming estimates of Mr. Gould's character as a man and relating anecdotes of his life. In reference to the general subject under discussion, Col. Henry T. Chapman, the art connoisseur of the Stock Exchange, said:

"Gould's art collection was little known, for he rarely ever figured personally in buying pictures, and went so little into social life that the public had no knowledge of his gallery. It is very choice, however, consisting of about one hundred paintings. Many of them are representative works of the Barbizon and modern French school. He has one of the finest examples of Corot in the country, and masterpieces by Rousseau, De Neufville and others.

"I purchased for him at the Stewart sale the finest example of Knaus in the country. It is a famous work known as 'Knaus Children,' and cost \$25,000. Works by that artist have brought higher prices in this country, but no one has a finer example. This illustrates one thing that I would like to say about Mr. Gould. He did not buy a painting on account of its price, but because he appreciated its beauties. He had a fine, a highly cultivated artistic sense, and showed a wonderful appreciation of color, tone and treatment in a picture.

"He knew the inspirational works of an artist from the mediocre productions, and showed a nice discrimination in his selections. He never bought a picture for a household decoration nor to fit a

recess in the wall, but for the love of the art it displayed and the enjoyment it gave him. His was the true artistic spirit."

"The quality for which I most greatly respected Mr. Gould," said an acquaintance, "was his consideration for others. This may seem a strange quality to attribute to a man who is esteemed a 'wrecker' by nine-tenths of Wall street men, but it was the thing that I often remarked in a long personal acquaintance with the man.

"It was once my pleasure to accompany him and some members of his family to Florida. His son George and a young companion were of the party. When we arrived at Palatka, Fla., Mr. Gould found that a suite of apartments had been reserved in Orvis' hotel for each member of the party.

"This was not unusual on the trip, but it happened that at Palatka there were many tourists arriving by the same train who were unable to obtain accommodations in consequence of the allotment of rooms to the Gould party. Mr. Gould took in the situation at once. 'See here,' said he to the proprietor, 'why do you give me all these rooms? Others need accommodation as well as I.' 'But,' said the man, 'I——' 'That's all right,' replied Mr. Gould, 'I know all about that. These people need rooms and should have them, and if there are not enough here for the ladies just send those boys of mine over to the barn.'

"George Gould and his companion," said the

man in conclusion, "slept that night in an outbuilding, scarcely a barn, but little better."

"Mr. Gould," said President Norvin Green, of the Western Union Telegraph Company, "was a man who, while he governed a corporation carefully, was always ready to reward merit and the faithful performance of duty. I remember at one of our annual meetings one of our department men, in making his report, appended thereto a request that his salary be raised. He asked for a large increase—fifty per cent. I think, from \$2,400 to \$3,600 a year. The Committee on Expenses was not inclined to grant the request. They were willing to give him a slight increase, but nothing like he asked.

"There was something peculiar about his work—I don't recollect what now—but it led to a somewhat long debate. This was terminated by Mr. Sage, who said as he always did when in doubt: 'Well, we will leave the matter to Mr. Gould.' When Mr. Gould came in the matter was referred to him with the explanation of the debate and the points of difference. Mr. Gould took up the report and read it through. Then he read the request for an increase. When he had finished he turned and said: 'Gentlemen, is there any of you who would like to do the work that man has done for \$2,400 a year?'

"Every man shook his head. 'Neither would I,' remarked Mr. Gould. 'If he can do all this work he is certainly entitled to this \$3,600 he asks, and we get off cheaply at that in having a faithful, honest and most capable employe.'"

Among other stories told of Mr. Gould are the following:

Some years ago he was tendered the nomination of Rex, the king of the Mardi Gras carnival in New Orleans. He declined this, of course, and when asked jokingly by a friend why he had put ambition away, remarked dryly:

"Well, I don't think the nomination was entirely disinterested or that I would have reigned supreme. I have always heard that there was 'a power behind the throne,' and in this case I am sure of it."

With this he thrust his hand into his pocket and drew forth the letter notifying him of his selection to the high office. Enclosed in it was a bill for \$1,000, the price of the honor. The functions of Rex that year were performed by a St. Louis brewer.

Mr. Gould could never accustom himself to take with equanimity the criticism and abuse that were heaped upon his head. He was exceedingly sensitive of ridicule and loathed the term "Little Wizard," by which he was not infrequently designated by the Wall street men and the papers. He often heard himself most grossly abused. Once, it is related, during a particularly vexatious series of delays to a crowded elevated railroad train in which Mr. Gould happened to be, a tall, muscular individual broke out into a torrent.

"It's ridiculous," he shouted. "The accommodations on this road. Absurd! Scandalous! That man Gould won't put on an extra car. Valuable franchise for a song, but an extra train means a dol-

lar less or so in profits. It's a shame, and I'd like to have that little rat Gould here to tell him and then pull his nose."

Mr. Gould stood by the blusterer's side almost crushed in the crowd. He said nothing, however, and the man continued his outburst until he reached a station, where he left the car, after pronouncing a final malediction upon Gould's head.

"Well, well," said Mr. Gould, turning to an acquaintance, "that was hot, wasn't it? I was very much annoyed at the delays and crowds myself and I did want to tell the man that I was not responsible for the limited number of trains. If he had not been so abusive, I would have told him that it was all Sage's doings. He advised taking the extras off and I suffer for it. I do wish Sage could have been here, for I think I would have told that fellow all about it and let Sage get his deserts."

An illustration of the rush and hurry of Jay Gould's life is told among the Pennsylvania mountaineers in the region round about Gouldsboro.

Mr. Gould's father was superintendent of the tannery at Canadensis, which was the property of his son, and received therefor the salary of \$20 per week, which in those parts placed him high up in the category of the well to do. Canadensis is four and a half miles from the railroad station at Cresco on the Delaware, Lackawanna and Western railroad, and the road between is a rough mountain road not fitted for fast speeding.

When the old man died Jay Gould was summoned

by telegraph. He reached Cresco in a great hurry. Business matters were pressing and he had no time to waste. He hired a rig and told the owner to drive him over to Canadensis and back in time to catch the next train back to New York.

The owner shook his head.

"Go ahead," said Gould. "I'll pay the damage."

The horse was put to its utmost speed and Gould had just one hour and a half to devote to preparations for his father's funeral. Then he drove back to Cresco and caught his train, but he drove so fast that the horse died from overexertion. Gould made good the value to the owner without complaint.

Pacific Mail was always one of Mr. Gould's speculative favorites. He had been more or less directly identified with it ever since the time when A. B. Stockwell was its picturesque controller. Stockwell is the historic gentleman who, in reciting the story of his Wall street career, has graphically put in this way:

"When I first came to Wall street I had \$10,000, and the brokers called me 'Stockwell.' I scooped some profits, and it was 'Mr. Stockwell.' I got to dealing in a thousand shares at a time, and they hailed me as 'Captain Stockwell.' I went heavily into Pacific Mail, and folks lifted their hats to 'Commodore Stockwell.'

"Then one day Jay Gould came along, smash went Pacific Mail and I went with it. They did not call me 'Commodore Stockwell' after that. Then it was: 'The red-headed son of a gun from Ohio,'"

In the course of his Pacific Mail campaigning Mr. Gould was much more frequently a bear than a bull. He used to say he had never found but one unerring bull point on Pacific Mail, and that was to report that the company had lost one of its ships. Perhaps his biggest drive at this stock was when he discomfited Leonard Jerome and played smash with the up-town corps of speculators who made up what was a dozen years ago known as "the Fifth Avenue Hotel party."

Just after that famous clean-out Leonard Jerome went abroad. In the course of his meanderings he came upon the famed Temple of Karnak.

"There, Mr. Jerome," quoth a companion, "are the most remarkable ruins in the world."

"No; oh, no; don't tell that to me," answered Leonard Jerome feelingly; "you ought just to have seen Pacific Mail last summer!"

Mr. Gould did not have any of that quality which descriptive persons call "presence." No stranger would have ever been impressed by any mere look at him that he was much of a man. He was courteous always. In public he was never known to get mad, or, indeed, even to say a rude thing, except it be on one occasion, when, with more or less quietness, he remarked to an ambitious young gentleman who more recently became a figure in Wall street:

"You make me feel very sorry that I am so busy. If I had time I'd really enjoy taking a day off to send you to State prison."

Of course, Mr. Gould was in lots of scenes where passion ran high. Everybody in Wall street recalls the historic day after Black Friday when Mr. Gould's old partner, Henry N. Smith, shaking his finger in Mr. Gould's face, shouted:

"I'll live to see the day, sir, when you have to earn a living by going around this street with a hand organ and a monkey."

"Maybe you will, Henry, maybe you will," was the soothing response. "And when I want a monkey, Henry, I'll send for you."

In the book of Mr. Clews quoted before, is found the following: "There is a story told with several variations, in regard to a sensational interview between Mr. Gould and Commodore Vanderbilt. The scene is laid in the parlor of the commodore's house. It was about the time that the latter was making desperate efforts to get a corner in Erie, and at that particular juncture when having been defeated in his purpose by the astute policy of the able triumvirate of Erie, Gould, Fisk and Drew, he had applied to the courts as a last resort to get even with them.

"They had used the Erie paper-mill to the best advantage, in turning out new securities of Erie to supply the Vanderbilt brokers, who vainly imagined that they were getting corner in the inexhaustible stock. Mr. Vanderbilt was wild when he discovered the ruse, and had no remedy but law against the perpetrators of this costly prank. These adroit financiers usually placed the law at defiance, or used it to their own advantage, but this time they were so badly

caught that they had to fly from the state, and take refuge in Taylor's hotel in Jersey City.

"It seems that during their temporary exile beyond the state, Gould sought a private interview one night with the commodore, in the hope of bringing about conciliatory measures.

"The commodore conversed freely for some time but in the midst of his conversation he seemed to be suddenly seized with a fainting spell, and rolled from his seat onto the carpet, where he lay motionless and apparently breathless.

"Mr. Gould's first impulse was to go to the door and summon aid, but he found it locked and no key in it. This increased his alarm and he became greatly agitated. He shook the prostrate form of the commodore, but the latter was limp and motionless. Once there was a heavy sigh and a half-suffocated breathing, as if it were the last act of respiration. Immediately afterward the commodore was still and remained in this condition for nearly half an hour. Doubtless this was one of the most anxious half hours that ever Mr. Gould has experienced.

"If I were permitted to indulge in the latitude of the ordinary storyteller, I might here draw a harassing picture of Mr. Gould's internal emotions, gloomy prospects in a criminal court and dark forebodings. His prolific brain would naturally be racked to find a plausible explanation in the event of the commodore's death, which had occurred while they were the sole occupants of the room; and at that time, in the eyes of the public, they were bitter enemies,

"I can imagine that, in the height of his anxiety, he would have been ready to make very easy terms with his great rival, on condition of being relieved from his perilous position. It would have been a great opportunity, if such had been possible, for a third party to have come in as a physician, pronouncing it a case of heart disease. No doubt Mr. Gould would have been willing to pay an enormous fee to be relieved of such an oppressive suspicion.

"The object of the commodore's feint was evidently to try the courage and soften the heart of Mr. Gould, who never seemed to suspect that it was a mere hoax. His presence of mind, however, was equal to the occasion, as he bore the ordeal with fortitude until the practical joker was pleased to assume his normal condition and usual vivacity. If Mr. Gould had been a man of common excitability, he might have acted very foolishly under these trying circumstances, and this doubtless would have pleased his tormentor intensely.

"There is a humorous story told of Mr. Gould's first yachting experience, which was recently published in the *Philadelphia Press*, and its veracity vouched for by a living witness to the event. It is characteristic of Mr. Gould in some special respects, and runs as follows:

"At the residence of a club man, whose reputation as a *raconteur* is nearly as great as that of his Burgundy, I noticed a pretty model of a jib and mainsail yacht. Replying to my admiring inquiry the club man explained:

“That is the model of a boat upon which were passed some of the sunniest hours of my life. She was owned by one of the Cruger family, of Cruger-on-the-Hudson, and has an added interest from the fact that upon her Jay Gould acquired his first yachting experience, and so eventful a one that I’ll bet he remembers it to this day.

“Crugers—one of the oldest and best known families in the state, intermarried as they are with other Knickerbockers like the Schuylers, Livingstons and Van Rensselaers—owned all the land in the neighborhood of the station subsequently named after them. A portion of this property consisted of a brick-yard, which was rented to the son of old Schuyler Livingston. It was in 1853 or 1854, and Jay Gould had just failed in the tannery business in Pennsylvania.

“Young Livingston’s leased brick-yard wasn’t paying, and he concluded that he needed a shrewd business man at his head. He advertised for a partner, and one day there appeared in response a small, dark gentleman, looking scrupulously neat in his black broadcloth. He gave his name as Jay Gould. Pending negotiations, Mr. Gould became the guest of the Crugers at the old mansion on the hill. Every effort was put forth to entertain him during his stay, the more as he seemed to regard favorably a partnership with their young friend.

“One day Mr. Cruger invited Gould to a sail to Newburgh, and got ready his yacht, of which that model is the reduction. Several of us youngsters

were taken along to help work the boat. Eugene Cruger, a nephew of the yacht's owner, was one of us. Peekskill was reached, and the whole party went up to the hotel.

"All the way up the river we had noticed that Mr. Gould was uneasy, shifting about constantly on the deck, where he sat, and squirming and twisting as if to find a softer spot. Nothing was said about it, of course, but when we landed Mr. Gould himself furnished the explanation. From the heat of the sun, the yellow paint on the boat's deck had become baked and chalky, and it was not long before the little man discovered that the dry powder was coming off on his trousers. Hence his uneasiness. He concluded by saying that he was afraid his broadcloth nether garments would be, if they were not already, ruined, and was determined to abandon the trip and return by rail. This Mr. Cruger would not hear of, and promised to obviate the difficulty. We all adjourned to a general store, and Cruger bought for two shillings and a half, a pair of jean overalls. These Mr. Gould put on when we went aboard the boat, and expressed his unqualified satisfaction with the result.

"On our trip back from Newburgh, we again called at Peekskill, and once more the party started for the hotel. This time Mr. Gould declined the invitation to take something, and preferred to remain on board. About an hour was spent in the hotel, when suddenly Mr. Cruger remembered that he wanted some white lead, and young Eugene Cruger

and I went with him to the store to carry . . . down to the boat.

“‘How’d the overalls work, Mr. Cruger?’ was the salutation of the storekeeper. Then before answer could be returned, he added, admiringly: ‘That friend o’ yours is purty shrewd.’

“‘Who, Mr. Gould? Yes, he appears to be a thorough business man.’

“‘Well, I sh’d say so! He can drive a mighty sharp bargain.’

“‘Drive a sharp bargain?’ repeated Cruger, all at sea. ‘What do you mean?’

“‘Why, don’t you know he was in here ’bout three-quarters of an hour ago and sold me back the overalls you bought for him?’

“‘Thunder, no!’ roared Cruger in astonishment.

“‘Well, sir, he jest did that. He kem in here, tole me he’d nò fu’ther use for ’em, that they was as good as when I sold ’em, an’ after we’d haggled awhile he ’greed ter take two shillin’ fur ’em, which I paid him. Here’s the overalls.’

“I can shut my eyes now,” went on the jolly club man, with a hearty laugh, suiting the action to the words, “and call up Mr. Cruger’s face with its mingled expression of amazement and incredulity. He left the store in silence. Not until we had nearly reached the boat did he speak. Then he only said, ‘Boys, I’ll fix him for that!’ We reached home without any reference to the incident. On the way back Mr. Gould sat upon his pocket handkerchief.

"The same night Mr. Cruger perfected his plan. Next day Mr. Cruger proposed a fishing party. Mr. Gould declined to go. He had concluded, he said, not to take an interest in young Livingston's brick-yard, and would return to the city on the afternoon train. A business engagement, involving quite a sum of money, had to be kept. His host argued with him, but for a time to no purpose. The saturnine little man had a tremendous amount of determination in his composition. Finally a compromise was effected, it being agreed that he should put Gould off at a station in time to catch the train. That he must catch it without fail, he most emphatically declared.

"The day passed on and we were off Sing Sing, when we saw the smoke of the coming train. We had been running free before the wind, but immediately Mr. Cruger, who was at the stick, shoved it down; we hauled in on the sheets and headed for the Eastern shore. Mr. Gould was by this time on his feet, clinging to the windward coaming, the deepest anxiety pictured on his face. Just there the water shoals rapidly. We were within fifty feet of the shore, opposite the railroad depot. The time had now come for Mr. Cruger's revenge.

"'Let go the main and jib sheets!' he shouted. 'Down with your board!'

"Never was order more eagerly obeyed. The sheets whizzed through the blocks, ready hands slipped out the pin and jammed down the center-board, and in a second the yacht, with a grating shock

and shaking sails, came to a stand, fast on the sandy bottom. There she was bound to stay until the obstructing board was lifted again.

“‘What’s the matter?’ exclaimed Mr. Gould, anxiously. Of course he had not detected the ruse, for he knew no more about the working of a yacht than a sea cow does about differential calculus.

“‘I’m afraid we’re aground,’ replied Mr. Cruger, with a fine assumption of sadness. ‘Boys, get out the sweeps and push her off.’

“We struggled with the long oars in a great show of ardor, while Gould watched us in breathless suspense, between hope and fear. But as we had taken care to put the sweeps overboard astern, the harder we shoved the faster westuck. The little man’s suspicions were not in the slightest degree aroused and he turned in despair to Mr. Cruger.

“‘What shall I do!’ he almost wailed. ‘I’ve got to catch that train!’

“‘Then,’ replied the joker, solemnly, ‘you’ll have to wade or swim.’

“Already the train was in sight, two miles away, and whatever was to be done had to be done quickly. As I have said, there was plenty of grit in the embryo railroad king, and quick as a wink he was out of his sable clothes and standing before us clad only in his aggressively scarlet undergarments. Holding his precious broadcloth suit above his head, he stepped into the water, which, shallow as it was, reached to the armpits of the little gentleman. Then he started for the shore, his short, thin legs

working back and forth in a most comical fashion as he strove to quicken his pace. The station platform was crowded with people, and very soon the strange figure approaching them was descried. A peal of laughter from 500 throats rolled over the water to us, the ladies hiding their blushes behind parasols and fans. The men shouted with laughter. Finally the wader reached the base of the stone wall, and for a moment covered with confusion and but little else, stood upon the rock, one scarlet leg uplifted, looking for all the world like a flamingo on the shore of a Florida bayou, while the air was split with shrieks of laughter, in which we now unreservedly joined. Then came the climax of the joke, which nearly paralyzed the unfortunate victim.

“‘Haul on your sheets, boys, and up with the board!’ was Cruger’s order. As the yacht gathered headway and swept by within ten feet of the astonished Mr. Gould, we laughingly bade him good-bye, advising a warm mustard bath when he got home.

“Then his quick mind took in the full force of the practical joke that we had worked upon him, and his dark face was a study for a painter. But the train had already reached the station, taken on its passengers, and the wheels were beginning to turn again for its run to the city. As Gould scrambled up the wall, his glossy black suit still pressed affectionately to his bosom, the ‘All aboard’ had sounded and the cars were moving. Every window was filled with laughing faces, as he raced over the sand and stones, and was dragged by two brakemen onto the

rear platform, panting and dripping. The last glimpse we caught of him was as the train entered the prison tunnel. Then, supported on either side by the railroad men, he was making frantic plunges in his efforts to thrust his streaming legs into his trousers, as the platform reeled and rocked beneath him."

It was once suggested to Mr. Gould that he had been fairly successful in life, and the inquirer wanted to know if Mr. Gould wouldn't tell the secret of it.

"There isn't any secret," said Mr. Gould. "I avoid bad luck by being patient. Whenever I am obliged to get into a fight I always wait and let the other fellow get tired first."

Any student of the history of Mr. Gould's career in the corporation world will appreciate how again and again he found this quality of patience a prime investment. He never seemed to be in a hurry about anything. One of his enemies has remarked that during the last twenty years Jay Gould spent \$1,000,000 hiring lawyers and paying court fees to accomplish nothing except to have lawsuits postponed.

And now the great man is dead. For days after his demise the public press was full of tales of his career. On every editorial page have been resumes of his life, and judgment upon him, either for or against. Much has been found to say of him that was good, and much that was evil. As a fitting close to this biography, it is good to quote from the New York *World*, which has published much of

interest regarding him. The paper indeed was not his friend, but we have had much from his friends, and this opinion probably agrees with that of more persons than does any other:

“Look back upon his wonderful career. As sometimes an assassin is tracked by his footsteps in the snow or by the drops of crimson that have fallen from his fingers, dripping with the life blood of his victim, so the life of Jay Gould can be traced by the dark, deep stains it has left on the records of his time. We see him leaving his father's farm a penniless but determined lad, clerking in a country store by day and studying mathematics at night. We follow him as he becomes a map-maker and goes forth to survey his own and adjoining counties. We see him hungry and unable to purchase a meal, kneeling down by the roadside and repeating his sister's prayer. We see him strike his first bargain. We see him win the confidence of Zadock Pratt, the tanner. We follow him into the forests of Pennsylvania and hear the sound of his ax as he fells the first tree for a great tannery. We see him scheming for the control of the property and finally forcing out of the concern the man who had set him up in the business. We follow him in his partnership with Leupp, the old-fashioned and honorable merchant, of New York, and see him again scheming to gain control of the entire business. We see him entering, even at this early day, into wild speculations that involved his partner and threatened him with ruin. We hear the click of the pistol with which Leupp in his

despair shot himself. We see Gould still scheming and endeavoring to drive a sharp bargain with Leupp's daughters and heirs. We see him leading a gang of ruffians to drive out of the tannery the men who were endeavoring to protect it in the interests of Leupp's daughters. We hear the groans of those who were wounded in that battle. We follow the young adventurer to New York. We see him buy his first railroad on credit and clear a handsome fortune out of the operation. We follow him into Wall street, where for twenty years he was to reign as a king and master. We see him in Erie, first as a follower of Daniel Drew and afterward as president. We see him at Albany bribing senators. We see him in New York purchasing judges, defying the law, issuing millions of securities, not a dollar of which represented legitimate expenditures. We see him plundering the great property of which he was nominally the trustee. We see him and his companion, James Fisk, Jr., the gambler and defaulter in a series of wonderful stock operations, cornering even their former leader, Daniel Drew, and fighting with desperation Commodore Vanderbilt. We see him organizing the greatest and most dastardly financial conspiracy the world has ever seen, laying its foundation in the actual bribery of a member of the President's family, and in an attempt to involve in the speculation the President himself—America's greatest captain. We hear the awful crash of Black Friday's earthquake, from which Gould, the arch conspirator, saved himself, but in which hundreds were involved in ruin

and the nation in dishonor. We see him now driven out of Erie by the indignant stockholders, headed by Gen. Sickles, Gen. Dix and Gen. McClellan. We see him arrested for appropriating the property of the company of which he was president, and to save himself we see him make a pretended restitution of the misappropriated millions. We see him cornering Northwest and raking in the wealth of his recent Wall street partner. We can see him now fastening his fingers on the great Union Pacific railroad, which for ten years he controlled. We can see him betraying his trust as trustee for Kansas Pacific mortgages, for which he was obliged years after to plead the statute of limitations in order to save himself from prosecution. We see him securing control of the Pacific Mail, the chief American steamship line. We see him buying for a few million dollars from Commodore Garrison the Missouri Pacific, 'just as a plaything,' but which he afterward developed into a great railroad system covering thousands of miles of territory. We see him repeating his old Erie tactics in Wabash and we can hear the stinging words of an unpurchasable judge as he turns his dummy receivers from power. We see him organizing an opposition against Western Union until, the favorable moment arriving, he secures control of the company and by a series of extraordinary consolidations make himself the head of a telegraph monopoly with a system covering the United States and crossing the Atlantic Ocean. We hear the crash of another panic. There are moments when we think

the great speculator will fall—when, lo! we see him calmly exhibiting his millions of securities to his friends. Others fail, among them men who had been his partners and agents, but he is safe. We see him living in a palace on the Hudson and ploughing the waters of the river and the ocean with the most splendid yacht ever constructed. We see him at home, the personification of domestic honor and purity, a faithful husband and a kind father, and we see him abroad, hated, feared and detested. Despite his record, we find the power of his millions and of the great properties he controlled felt in every direction. He is a factor in elections. Candidates seek him for favors. He dictates appointments to high offices. Honorable men who would not repeat his methods sit with him in boards of direction and are identified with some of his enterprises. Nothing that the fertile imagination of Balzac, Dumas or Gaboriau ever conceived equals in dramatic incidents and sensational developments the career of this extraordinary man.

“It will be observed that there were two Goulds—Gould the man of affairs and Gould the man of family. In all his domestic relations his life was pure, his nature affectionate. No criticism can touch him in his home life. There he was above reproach. Toward the end of his life his dual nature seemed to blend into one. He became more conservative in business, more solicitous, apparently, of the good will and good opinion of his fellowmen, more careful to keep within the bounds of strict business

morality, less audacious in his methods. For should it be forgotten that however much Gould's public career may be justly subject to criticism, much that he did was indirectly for the public benefit? For instance, he developed properties that enriched wide sections of the country. No review of his career would be complete without this acknowledgement."

Jay Gould will be remembered not for the good that he has done, not for the happiness he has given, but for the enormity of the fortune that he acquired. If his heirs apply to better ends than he did, the wealth that they have received from him, they may be better remembered. If they should dissipate the fortune, it might then fall into the possession of those who would do good with it. As it has been before, the life and fortune of Jay Gould have been a constant example always in readiness to be brought forward by those who find evil in our financial system. It is to be hoped that better things will now come from it.

FINIS.











