



1986

The Money Game in Old New York: Daniel Drew and His Times

Clifford Browder

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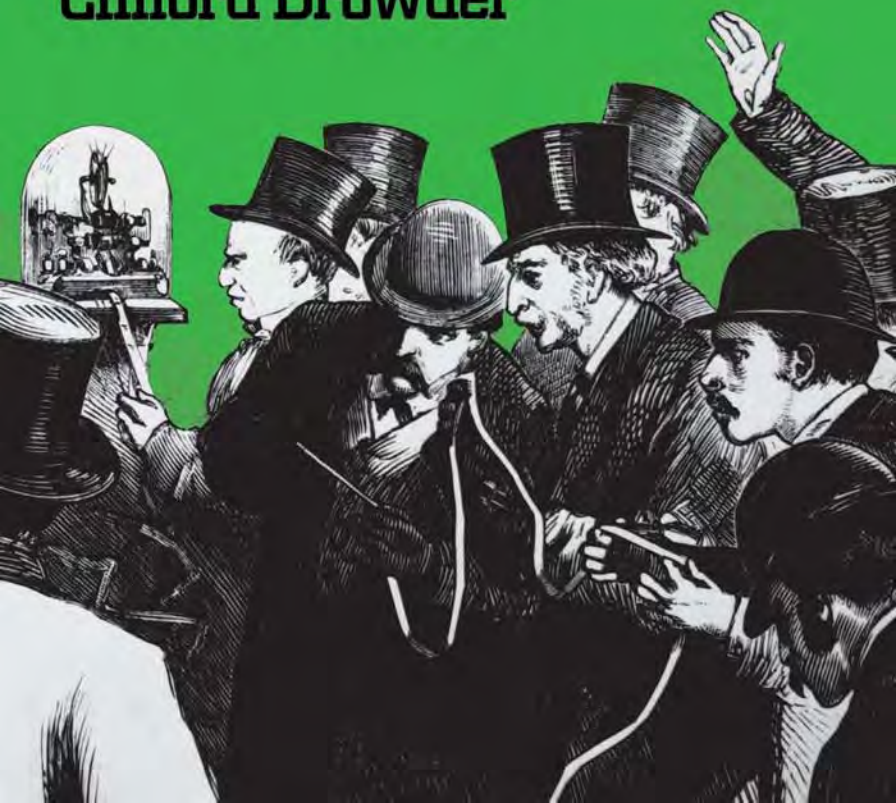
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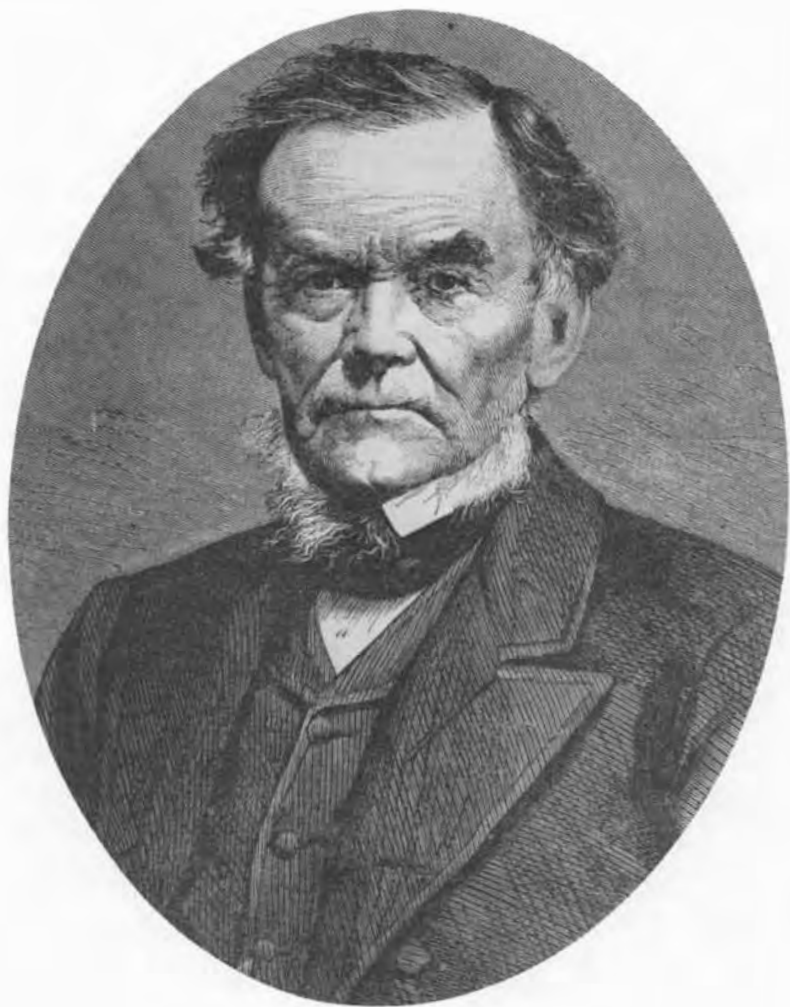
The Money Game in Old New York

Daniel Drew & His Times

Clifford Browder



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*The
Money Game
in Old
New York*

DANIEL DREW AND HIS TIMES

Clifford Browder

THE UNIVERSITY PRESS OF KENTUCKY

Frontispiece, Daniel Drew in the 1860s.
From *Harper's Weekly*, April 11, 1868.

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Contents

<i>Acknowledgments</i>	vii
<i>Prologue</i>	1
1 <i>Beginnings</i>	5
2 <i>Circus and Drover Days</i>	13
3 <i>King of the Bull's Head Tavern</i>	23
4 <i>Into Steamboating</i>	32
5 <i>Top Dog on the River</i>	45
6 <i>Wall Street</i>	57
7 <i>Enter the Iron Horse</i>	69
8 <i>The Best Friend a Railroad Ever Had</i>	81
9 <i>Wartime</i>	92
10 <i>The Virtuoso of Erie</i>	108
11 <i>A Seminary, an Injunction, and a Loan</i>	120
12 <i>Uncle Daniel's Little Railroads</i>	133
13 <i>The Great Erie War: Preliminaries</i>	143
14 <i>The Battle of Wall Street</i>	152
15 <i>The Battles of Fort Taylor</i>	166
16 <i>The Battle of Albany</i>	179
17 <i>Negotiations and Peace</i>	188
18 <i>The Greenback Lockup</i>	197

19	<i>Respite and Return</i>	210
20	<i>Uncle Daniel Buys the Dream</i>	225
21	<i>The Last Great Caper</i>	240
22	<i>Bankruptcy</i>	251
23	<i>The Oldest Man on the Street</i>	263
	<i>Epilogue</i>	274
APPENDIX	<i>Bouck White's "Book of Daniel Drew": An Enduring Fake</i>	279
	<i>Notes</i>	287
	<i>Bibliography</i>	293
	<i>Index</i>	309

Illustrations follow page 56

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Prologue

Wall Street, July 1865. On the pavement excited speculators were talking vociferously; having sold the stock of the Erie Railway short, they expected to make a killing. On the steps of a broker's office nearby stood a plainly dressed old man, tall but slightly stooped, his face cross-hatched with wrinkles and fringed with whiskers, watching them with twinkling steel-gray eyes.

"Happy creeturs," he said with a nasal twang, "how merry they be! Wal, I guess I must pinch 'em."¹

Within a short while a heavy demand for Erie developed, the stock surged, the speculators rushed to cover losses, and Uncle Daniel Drew—known also as the Speculative Director, the Old Bear, the Merry Old Gentleman of Wall Street, and several unprintable epithets—was (as he might have put it) as happy as a pig in pea straw. This time by bulling instead of bearing the market, he had skinned the boys yet again and was richer by tens of thousands of dollars. All in a day's work for Uncle Daniel.

Madison, New Jersey, November 6, 1867. The formal opening of Drew Theological Seminary was attended by all nine bishops of the Methodist Episcopal church, four college presidents, plus leading ministers and laymen—the largest group of Methodist intellectuals and theologians ever assembled. When a lady asked to see the founder of the seminary, she was told that the most unobtrusive elderly gentleman present would be Mr. Drew. It was true that among this distinguished assemblage the first Methodist millionaire, whose unprecedented gift of half a million dollars had made the occasion possible, appeared modest

and unassuming, a kindly, pious gentleman, reticent and humble to a fault.

Yet when he was next expected on the campus—at an all-important board meeting on April 23, 1868, at which the seminary's new charter was to be accepted, officers elected, and deeds transferred—Brother Drew was unable to appear. He sent his regrets not from his New York City mansion but from Taylor's Hotel in Jersey City, where, fearing lest he be kidnapped by his onetime friend and arch foe Cornelius Vanderbilt, he was being guarded by an army of toughs. He shared these quarters with the unprincipled Jay Gould and the garish and most immoral Jim Fisk. All three were fugitives from the state of New York, where if they dared to set foot they risked immediate arrest at the command of a magistrate subservient to Vanderbilt, whom they had just milked of millions through the sale of an unconscionable amount of watered Erie stock. The dramatic struggle between Drew and his confederates on the one hand and the furious Commodore on the other had already embroiled Wall Street and the New York State judiciary and engulfed two state legislatures in a tidal wave of farce and corruption. All of this was awkward for the Methodists, who admitted to having little grasp of Wall Street.

Five years later Daniel Drew was severely compromised in the Panic of 1873; eight years later he was bankrupt. Deprived of his largess, Drew Seminary survived, barely. In 1879, still honored by Methodists but a has-been on Wall Street, Drew died. Since then, he has been seen less and less as a benefactor and more and more as a robber baron.

In April 1910 his image was dramatically confirmed when Doubleday, Page & Company in New York published Bouck White's *Book of Daniel Drew*, purportedly the much-edited and much-amplified diary of Daniel Drew rediscovered by a grandniece then living in the city. In a rich rustic idiom the book candidly revealed how Drew prospered by cheating others while praying to God devoutly on Sundays, thus presenting the very image of the Sunday Christian—sanctimonious, hypocritical, and treacherous.

Immediately Drew's only son, William H. Drew, denounced the book as a fraud, demanding that the Manhattan district attorney stop its distribution and bring charges of criminal libel against White. Author and publisher defended the diary's authenticity. In newspaper interviews White, a radicalized minister turned social reformer, even invited Drew Seminary to change its name and return its original endowment to the plundered Erie Railway—something that the seminary, though much embarrassed, was not inclined to do. Then, without explanation, William H. Drew allowed the matter to drop, permitting White to declare himself vindicated—although the "vindication" does not bear scrutiny (see

Appendix). Within two years Drew's son died, and White went on to a brief but flamboyant career as a revolutionary socialist, then lapsed in silence and oblivion. His book remains.

Today Daniel Drew is largely forgotten. The few who remember him—local historians, railroad and steamboat buffs, and chroniclers of Wall Street—accept the image crystalized in Bouck White's pages: the cunning robber baron who hid his misdeeds with piety. In 1973, when invited by a local landmark-preservation society to help restore the abandoned cemetery where Drew lies buried, the students of Drew University emphatically refused; "Let him rot" proclaimed a headline in their newspaper.

But Daniel Drew should not be forgotten. First, he has been much lied about, and the record should be put straight. Second, for all his faults, he is a far richer and more complex character than the caricature conveyed by White. Finally, in understanding him in his entirety, one gets a hold on the time and place that produced him, the yesterday that engendered the America of today.

The following account attempts to separate truth from myth, the likely from the certain. All direct quotations, including words ascribed to Drew and others, are documented in endnotes; more general documentation is included in the chapter-by-chapter bibliography. The writer has taken one liberty: to relax slightly the faultless grammar and diction that certain sources attributed to Drew in quoting him, since it is no service to truth to credit this colorful semiliterate with a correctness of speech totally alien to him.

This, then, is the story of Daniel Drew, who in his own lifetime gave his name to a theological seminary, a female seminary, at least two churches, three steamboats, one locomotive, a professorship of Greek, and an ox; a man who knew railroads, steamboats, cattle; a man whose career is inseparable from the epic of the city and the nation in which he lived; a man who did much good and much ill, and who in all his varied roles—astute money manager, suffering repentant sinner, cheat, philanthropist, and bankrupt—was so human it hurts, so American it agonizes.

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CHAPTER 1



Beginnings

Daniel Drew was born on July 29, 1797, on a rocky, thin-soiled farm in a remote area of southern Dutchess County (now Putnam County), New York, about fifty miles north of New York City. His father, Gilbert Drew, then sixty-five, was a vigorous old man who, at an age when most men would have given up farming and gone to live with their grown children, had stuck to his farm, remarried to a Scottish woman named Catherine Muckelworth, and started a second family. Daniel was the first child of this late second marriage, and he had a brother, Thomas, some fifteen months Daniel's junior.

Gilbert Drew had lived for about a quarter of a century in this sparsely settled corner of the county, off the main roads and far to the east of the Hudson River, the chief north-south artery of the day. Of his earlier life, little is known. He was born about 1732—perhaps, like many settlers of the area, in Massachusetts, although no local records there have been found to include his name. Quite possibly he is the apprentice Gilbert Drew mentioned in 1741 in the will of one John Hedger of Westchester County, New York, and almost certainly he is the Gilbert Drew of Yorktown in Westchester, a weaver, who married Sarah Hunt of the same place on July 5, 1753. Thereafter he became a farmer, and over the next twenty years he fathered at least five sons and four daughters, the half-brothers and half-sisters of Daniel Drew. By June 1771, when his name first appears on the yearly tax lists of southern Dutchess County, Gilbert Drew had moved his large family north to that same hilly, wooded area, perhaps to the very farm in what is now Putnam County's township of Kent, where Daniel Drew was born. Probably Gilbert became a tenant, or even the tenant of a tenant, of the Philipse

family of New York City, who owned most of what is now Putnam County.

At the outbreak of the American Revolution, the farmers of this quiet, isolated area had rushed to arms. Gilbert Drew served as a sergeant and his three eldest sons served as privates in Colonel Henry Ludington's Seventh Dutchess County Militia Regiment, which during the war saw much action in Westchester County to the south. By the time peace came and the militiamen went back to their farms full time, Gilbert's children were marrying and setting up house for themselves. At some point Gilbert's first wife Sarah died. Although many of their children left the area, Hannah, the one unmarried daughter, remained with her father. Thereafter the old man made a fresh start, marrying Catherine Muckelworth.

Gilbert Drew's second wife had been born in Scotland on September 9, 1758. According to the tradition of a Lawrence family of New York City, she and her brother set sail for America with their parents, both of whom died on shipboard and were buried at sea. When the ship reached port, the captain arranged through church societies to have the two children placed in the home of the Lawrences, who brought them up. Nothing more is known of Catherine until 1790, when her name appears as Catherine Muckelworth on the rolls of the Mount Carmel Baptist Church of Carmel, New York, to which, thereafter under the name Catherine Lawrence, she belonged for the rest of her life. She was not an educated woman (she made a mark for her name on legal papers), and being in her middle thirties she may well have assumed that the time for marriage had passed. But at some point in the mid-1790s Gilbert Drew married her and took her to live with him on his farm in southeast Kent, where she bore two sons, Daniel and Thomas.

By local tradition, the house where Daniel Drew was born stood on the wooded knoll now occupied by a house built in 1836 by the Northrup family, to make room for which the earlier house, a simple frame structure, was demolished.¹ There young Daniel grew up in a household that included his mother, father, and younger brother Thomas, his unmarried half-sister Hannah, and a slave. His mother was a woman of strong, simple feelings who gave her son much love and was an example of piety that he treasured all his life. In later years Daniel had little to say of his father; to the young boy, a father in his early seventies may have seemed awesome and remote.

Given the father's advanced years and the fact that he may have been the only man on the farm (it is not known if the slave was a man or a woman), Gilbert surely expected his young sons to pitch in from an early age. The farm lay in a wild, rugged area traversed by thickly wooded ridges with rock ledges and by narrow valleys whose shallow stony soil

could be made productive only with effort. Although farmers there grew buckwheat, corn, and rye, the land was suited chiefly to the raising of livestock. Doubtless it was from his father on the farm, then, that Daniel first learned about cattle. Since in those days the cattle in the area roamed free, identified only by the owner's earmark, Daniel and Tom must have spent much time hunting cows in the woods, guided only by the tinkling of a distant cowbell. This and other chores left little time for school, though in winter the boys did attend irregularly. Otherwise, their chief contact with the outside world was Carmel, a mere cluster of houses two miles away, where their mother attended church on Sundays and where news could be gleaned from travelers spending the night at the local inn.

By 1807 Gilbert Drew, now seventy-five years old, had relinquished the farm in Kent and bought another a few miles away. Consisting of 120 acres, it lay on the middle branch of the Croton River at the western limit of the township of Southeast, in the area later known as Drewville. The new farm differed only in degree from the old one. Here, too, wooded ridges running north and south abounded, but between them lay wider and more level valleys whose soil, although stony, was more suitable for crops and pasture. Acquiring it must have given the old man great satisfaction: having been a tenant all his life, at long last he had a farm of his own. Yet the work was still arduous, and as the aging father began to fail, his growing sons must have taken on more and more of it. As Daniel worked with his brother prying rocks out of the fields and stone-boating them over to the fields' edges to make fences, this smart youngster must have sensed early that he was not cut out to be a farmer.

Soon after the Drews moved there, the town of Southeast was witness to the most wrenching, draining, humbling, and exalting, not to say just downright exciting, experience that a remote rural area of the time could hope for: a Methodist revival. In encouraging backcountry populations to "git religion," no one was more adept than the Methodists. Their unique system of itinerant ministers serving scattered settlements throughout a lengthy circuit enabled them to spread the gospel in sparsely settled regions where churches were few. As early as 1791, Methodist circuit riders from Connecticut had preached in Southeast. Then in 1809 the Cortlandt Circuit was organized, embracing much of Westchester and southern Dutchess counties. From then on, the counties were visited regularly by the circuit riders: earnest, fervent men of scant education and overpowering conviction, firm in their resolve to outreach, outpray, and outlove the competition (Baptists, Presbyterians, Shakers, and Universalists) in an impassioned effort to reconcile sinners to their God.

One itinerant preacher converted the entire family of Major Lemuel Clift, a Connecticut-born veteran of the Revolution who lived some two miles east of the Drews and whose house became a Methodist preaching place. There and elsewhere, loud and zealous meetings were held, resulting in spectacular conversions: Molly Nixon, who so took to heart Methodist strictures against fancy and extravagant apparel that she attended meetings in a petticoat and short gown; Sally Seymour, who on occasion fell under "the Power" and lay helpless for forty-eight hours; and many others. It was what Methodists called a great melting time, when sinners were pricked to the heart and souls melted down in love.

News of these heady events reached young Daniel Drew, who was only fourteen at most—years later, he remembered the time as 1811—when he attended one of the meetings at the home of Major Clift. Such gatherings often began with group prayers and shouts of "Praise Jesus!" and "Hallelujah!" and the singing of heartfelt hymns, but the Methodists brought their big guns up in the sermon. Invariably, those present were informed that Satan was in their homes and hearts; that they were guilty of blasphemy, intemperance, false pride, card-playing, adultery, and dancing; that before the year was out many of them—especially the young folk present, so smug in their vain thoughts and fripperies—might be roasting in hell, cast down for all eternity among the heathen, Mahometans, and Papists. At this point, as sobs and groans escaped from the audience and as many a young girl was swooning, the preacher made his climactic appeal: there was still hope, God was merciful, and Satan could be foiled of his prey; one had only to come forward, renounce one's sins, and accept Jesus into one's heart. As fervent cries of "Come! Come! Come!" resounded, the sinners staggered forward, sobbing and trembling, to the Mourners' Bench, where they entreated God for deliverance. Each mourner traversed a fierce gamut of emotions, running from remorse and terror through anguished supplication to incipient hope, then assurance and triumphant joy as amid cries of "Amen!" and "Glory!" from the others, he felt himself redeemed; Jesus lived enshrined in his heart.

The effect of such a scene on an impressionable boy of fourteen, predisposed to religion by the teachings and example of his mother, was irresistible. Placed between Satan and the fiery pit on one side and the merciful Savior on the other, young Daniel knew which way to jump. Falling under the conviction of sin, he implored his Redeemer, became a struggling Jacob, a prevailing Israel, felt God's grace, and was saved.

It marked him for life. Although this first conversion was by no means permanent—by his own account, after three years he lost his religion—it awakened in his down-to-earth nature a profoundly emotional strain. Religion for him would always be a matter of keen feeling rather than

sober thought, a blend of anguish and yearning quickened by a whiff of brimstone, sin-ravaged, tearful, and ardent. And Methodist as well. Although his mother was a devout Baptist, years later he would say that he dearly loved the Baptist church but thought of himself always as a Methodist. In his younger years his "backslidden" periods would be lengthy, but in his heart lurked the germ of faith. As for Catherine Lawrence, rejoicing in her son's first awakening, she prayed for God to make him like Daniel of old.

Meanwhile Gilbert Drew was failing at last. In February 1810, being "weak in body but of sound and perfect memory blessed be Almighty God for the same," he made his will and had his neighbors witness it. On March 26, 1812, he died at the age of eighty. His will left Daniel and Thomas, then fourteen and thirteen respectively, eighty dollars each; made provisions for his unmarried daughter Hannah; and gave his widow two of the best feather beds and bedding, and a horse, saddle, and bridle. The estate was to be kept and improved by the executors (his widow and two others), so as to support and educate his two youngest sons until they should be twenty-one. Then, when all debts and legacies had been paid, the remainder was to be divided equally among all seven sons and four daughters.

Whatever Gilbert Drew's estate included, besides the farm and a slave, it cannot have amounted to much. The provisions of his will notwithstanding, after their father's death both boys, perhaps as much from choice as necessity, left school forever to work full time on the farm. Daniel had barely learned to write and had not mastered spelling, so that a quaintness of speech, flavored by a droll Yankee dialect rich in diphthongs and devoid of grammar, would characterize him all his life. But this did not matter to him in the slightest; he was eager to work, to be doing things. At first he seems to have helped his brother on the farm, then to have worked on other farms in the neighborhood, hiring out as a day laborer and driving a team of mules. But since none of this could have satisfied his enterprising nature, he had his eye out for something that would bring in more money.

In the summer of 1814, it came. For two years the United States had been at war with Great Britain. Now at last, as Napoleon's fortunes waned in Europe, Britain was tightening the coastal blockade and threatening a seaborne invasion. To bolster New York City's inadequate defenses, Governor Daniel D. Tompkins had ordered all New York State militia readied for immediate service, and on August 4 he summoned four thousand men from the Hudson River counties to New York. All able-bodied white male citizens between eighteen and forty-five years old were liable for militia service, but of those actually called, many

avoided duty quite legally by hiring a substitute. Although under age, the Drew boys were tall and sturdy for their years, and they calculated that in view of the emergency recruiters would not be finicky. Probably prompted less by patriotism (in all his long life, Daniel Drew was never accused of it) than by the lure of money and excitement, they decided to hire themselves out.

So it was that on September 6, 1814, having deposited his substitute money with his mother, Daniel, aged seventeen, became a private in a company of the Sixty-first New York State Militia Regiment. He replaced one Daniel Wilson of Carmel, who had been drafted for a term of three months and under whose name he served. At the same time his brother Thomas, not even sixteen years of age, entered a different company of the same regiment as a substitute for another man. The regiment's point of rendezvous was presumably Peekskill, which could be reached by road from Carmel. The brothers set out each equipped with a musket, ammunition, and a uniform and blanket for which they had put out good money. According to claims filed later, they had each spent forty-six dollars, which was no small outlay for two farm boys from Putnam County² who would earn only eight dollars a month as militia privates.

It may or may not have been the Drew boys' first visit to Peekskill, but it was certainly their first trip downriver to New York City. At the Peekskill landing Private Daniel Drew was marched aboard a Hudson River sloop, one of those graceful little single-masted, large-sailed vessels that in the days before steamboats carried passengers and freight on the river. Although in later years he showed little sensitivity to nature, it is hard to believe that, as a young man on his first trip down the Hudson, Daniel was not awed by the river's majesty. Off to the north, he would have seen the huge rounded humps of the Highlands and, as the flotilla of sloops headed southward, the broad reaches of Haverstraw Bay and the Tappan Zee; next, as the river narrowed, the sheer basalt walls of the towering Jersey Palisades; and then at last, the goal also of other squadrons of troop-filled sloops whose white sails dotted the water, Manhattan Island, and at its southernmost end, the city.

Numbering nearly one hundred thousand people, New York in 1814 was the biggest port in the nation. Along the docks bristled the masts of sailing vessels idled by the British blockade, their bowsprits lunging over the waterfront streets. The city itself was a mass of two- and three-story frame houses where merchants still lived above their shops, and in the business district downtown, of red-brick buildings with dormer windows protruding from steeply pitched roofs. There were warehouses, banks, stores, roofed markets, churches, hotels, and coffee houses—more buildings, streets, and people than Daniel had ever dreamed existed. And it was a metropolis under siege at that, with horsemen dashing here

and there, armed sentinels in the streets, pitched tents in the very midst of the city, and troops marching about, while parties of civilian volunteers labored feverishly to complete essential earthworks. The worst was anticipated; every man was needed.

Under these circumstances Daniel Drew's first glimpse of the city must have been brief. Upon landing on Manhattan's west side at the foot of Fulton Street, his company would have been marched off promptly to the north. Crossing Canal Street, an open sewer devoid of houses and spanned by only two bridges, and the sparsely settled area above it, the company reached Fort Gansevoort, near the foot of the present Gansevoort Street, about a mile to the north of the city. Built recently, this oblong structure of whitewashed stone enclosed a battery with magazines, an arsenal, and extensive barracks. One end of it rested on a spit of land jutting into the Hudson, which its cannon commanded to both the north and the south.

Here Daniel had the good luck to be assigned to a barracks, although most militiamen lived in tents. His brother's company, which must have come down by sloop at the same time, was also stationed here, so that young Thomas, the "kid" of his outfit and remembered as such years later by his comrades, was lodged in a barracks nearby. Together, then, the brothers had their first taste of the discipline theoretically in force. Reveille was beaten by the drums at daybreak, followed by roll call, inspection, and drill. There were more roll calls and drill throughout the day, then retreat at sunset and the tattoo at nine, whereupon all men retired to their quarters for the night.

Hard work and simple living were nothing new to young Daniel, but given the carelessness of dress and manner that characterized him all his life, one suspects that he was a rather slovenly soldier. Meanwhile, as the weeks passed and there was news of victories on the northern frontier and at Baltimore, but in New York no sign of the enemy, dissatisfaction in the militia grew. Many of the boys were underequipped, ill housed, and ill supplied, and they found that real military discipline—so different from muster days back home, when they paraded before the ladies, and the captain stood the company to drinks—did not agree with their tastes. Worse still, it was harvest time; their families were short-handed on the farm, while they were stuck in the city with not a single redcoat in sight. Requests for furloughs grew, and desertions multiplied.

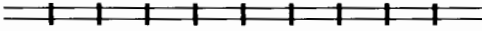
Private Daniel Drew was no exception. The company muster roll reports Daniel Wilson, under whose name he served, as having deserted as of October 17, 1814, only to rejoin the company from November 2 until December 6. Probably, like many others, he went A.W.O.L. to help with the work on the farm, then came back to the city to resume his service. For this semi-desertion he may have been given extra duty

and certainly forfeited all pay prior to his return. Meanwhile Thomas had not returned home, but when his shorter term of service expired, he joined another regiment at Harlem Heights and did a second stint as a substitute.

By late November it was clear that John Bull, who was well informed about the improved state of the city's defenses, had decided not to visit New York. Consequently, when the militiamen's three-month terms began to expire, they were permitted to go back home. Honorably discharged at the barracks in New York City on December 3, Daniel Drew received \$9.33 for one month and five days' service and returned to Putnam County, presumably with his company and again by sloop. When word of peace arrived in February 1815, to be greeted deliriously throughout the state, both he and his brother were long since back on the farm.

But Daniel had no intention of staying there. How could he, once he had been to New York and seen ships, docks, stores, banks, and market places, all teeming with the lust and rumpus of a thriving, sprawling city? And a hungry city, as he had noticed the high price of meat.

"I want my substitute money, Mother," he announced one day. "I'm going to buy cattle and sell 'em in New York." Catherine Lawrence was a shrewd and cautious woman. "Are you sure you'll make money by it?" she asked. "I'm sure I'll make money."³ And so Daniel Drew became a cattle drover, a profession that would shape his existence for years, his temperament for life.



Circus and Drover Days

To be a successful drover, one had to be a keen judge of “critters,” a good talker, a shrewd haggler, a tough boss, at least a seasonal vagrant, and more than just a bit of a gambler. The profession had come into its own only recently, when the booming growth of certain Eastern cities, New York among them, had outstripped the supplies nearby. Someone had to ride out to distant areas to buy up cattle, pigs, sheep, or even turkeys, then drive them in herds to the city and sell them to butchers in the marketplace. Lying fifty miles north of New York and on the same side of the Hudson, Putnam County, especially the eastern part of it with its stony soil suitable for grazing, had become a source of the city’s beef. Surely young Daniel had noticed how certain of his neighbors were buying up cattle and driving them off to New York, then returning a fortnight later with flashing smiles and fat wallets or muttering darkly about the “beneathenest” prices in the city. Being competitive and risky, this was not a trade for just anyone; but to a young man hankering for money and excitement and determined to live by his wits rather than his muscles, it must have seemed just the thing. By the age of nineteen, Daniel Drew was a drover.

Years later the story would be told how young Daniel, barefoot and clad in unbleached linen clothing, his trousers climbing above his ankles and with an old straw hat on his head, first brought a flock of bleating spring lambs to New York, cutting so awkward a figure as he drove them down the Bowery Lane that children in the street made fun of him. Doubtless the story is apocryphal, some latter-day invention to feed the legend of the rags-to-riches self-made millionaire. Yet in it there must

lurk a germ of truth. Naturally he dressed, talked, and acted like a rube, and having meager capital, he must have started out with small droves of lambs or calves. Bouck White at this point described him as a buyer of bob calves—spindly newborn creatures that the farmers were glad to get rid of—and said that he had to rush them to market before they could sicken and die; but there is no authority for this. Daniel's business start was probably humble but legitimate; if he got ahead, it was by dint of hard work and saving.

At some early point, Drew's career as a drover was interrupted while he worked for a circus. Perhaps on one of his calf-buying trips he heard that the outfit, wintering nearby but about to begin its spring tour, could use a bright young man who knew animals, and the fun and excitement lured him. Uncharacteristically, he may have acted on the spur of the moment, and in so doing he defied the puritanical condemnation that all the early rolling shows provoked from pulpits. If there was action in droving, Daniel must have reasoned, there was even more action in a circus!

In itself, this new departure is not so surprising, for Daniel had grown up and was working in the very area—eastern Putnam County, northeast Westchester, and adjoining western Connecticut—that was the birthplace of the American traveling show, and where it was common for a local farmer to have put in at least a short hitch with a circus in his youth. It had all begun in or before 1808, when Hackaliah Bailey of Westchester had imported an elephant for experimental use in farm work. Upon observing the reaction of his neighbors, who crowded round to gape at Old Bet in wide-eyed astonishment, Bailey began to exhibit her in barns and charge admission. This he did quite successfully, then added other animals, and so created a menagerie caravan that toured through all New England and even as far as Maine, where in 1816 Old Bet was shot and killed by a crank. Meanwhile, struck by Bailey's success, other men in the area had created traveling shows of their own that combined a menagerie with performers, and in so doing recruited still others, including one Phineas Barnum of Bethel, Connecticut. Prominent among these early showmen were four neighbors of North Salem in Westchester—John J. June, Lewis B. Titus, Caleb Sutton Angevine, and Jeremiah Crane—who combined forces to establish the June, Titus, Angevine & Crane Circus, which by 1820 was playing small towns in the vicinity of New York and Philadelphia. This was the circus that Daniel joined.

If it was typical of the rolling shows of the time, the outfit comprised a handful of bright red wagons housing animals in cages: perhaps a leopard or jaguar, a camel, a polar bear, and a rhinoceros that could be advertised as a unicorn. Heralded by the clown, the wagons would parade

into a town and proceed to the exhibition site, around which the company would erect a canvas screen of six- to ten-foot walls stretched between poles. Inside it they would put together a makeshift platform of boards where the performers—a few riders, tumblers, ropewalkers, contortionists, and the clown—would entertain a standing audience. In those days there was no tent or ring, no female performers in tights, and no seats either, unless fetched from a tavern for the ladies. The only music was a fiddle or a hurdygurdy. Two hundred fifty spectators, each paying a quarter, was considered a very good house.

Being smart and handy, young Daniel won the esteem of his colleagues during the time he stayed with the circus (by one account, three seasons), and he was advanced in position and pay. Probably he served in many capacities—animal feeder, wagon driver, ticket taker, canvas man—and became the clown and advance agent for certain. As clown, dressed in some bizarre costume and ringing a loud bell, he would ride into the village in advance of the caravan, whose arrival he announced with fanfare, then gave the time and place of the performance. Promoted to advance agent (his capacity for handling money as well as animals had been noted), he would arrive by horseback several days ahead of the company to hire the performance grounds, pay any necessary fees, put up printed posters, and speak glowingly to the villagers of the fantastic spectacle to come. In the absence of local newspapers, such promotional work was essential; so well did he do it that further advancement in the company seemed likely, and in time perhaps even a partnership.

However, it was not to be. Quite by chance, near one of the towns where the circus played, a revival was in progress and Drew attended. Perhaps it was one of the great outdoor meetings that the Methodists held in the summer, where at night the torchlight and flickering glow of candles on forest foliage created an awesome setting. Once again, wrought upon by sermon, hymn, prayer, and exhortation, young Daniel felt himself convicted of sin, confessed his backsliding, repented tearfully, and reached through the agony to God. His prayers were heard, and when the penitent had found peace at last, he poured forth a heartfelt testimonial so impressive that the preacher in charge asked him afterward if he felt a call to the ministry. He did not, but having re-enlisted in the Army of Zion, he took a fresh look at circus life, at its glitter, fanfare, and hokum, and saw in it the hand of the devil. Immediately he gave it up, returned to Putnam County, and resumed his profession of drover. God had straightened him out, to the extent that in his life thereafter the circus experience seems to have left hardly a trace.

Now a dealer in full-grown animals, each spring and fall over the next few years Drew rode about Putnam and Dutchess counties, asking the farmers how they were fixed for fat cattle, exchanging pleasantries, then

looking over the stock. When he liked what he saw, he initiated the time-honored ritual of bargaining, in the course of which the seller allowed repeatedly as how he hadn't oughter sell, and the buyer as how he hadn't oughter buy, inevitably resulting in a sale. Probably Drew bought a great deal on credit, and most certainly, as throughout his life, he kept his accounts in his head.

With his cattle bought and assembled, Drew set out for New York. Although the details of this part of his career are meager, one can imagine him a typical drover in a floppy hat, linsey breeches, and top boots, mounted on a mare, snapping over the heads of the cattle, as they plodded strung out along the road in front of him, a long blacksnake whip with linen strips on the tip that crackled in the air like rifle fire. In the early years he must have worked alone; later, as his capital increased and the droves got larger, he would have a couple of hired men or boys to help him, one guiding the lead ox with a rope and crying "sukey, sukey" or "suboy" while the other prodded laggards, fetched strays from cornfields, and at a crossroads urged the herd in the right direction. All this took place under the eye of the "boss," ever watchful lest the drove get tangled in another passing herd or take alarm at a village blacksmith's pounding or at Sunday morning church bells, either of which could cause a stampede.

The route he took was an old stage road from Vermont, known locally as the Great Way, which ran south across the easternmost part of Dutchess and Putnam counties, then southwest across Westchester and down the Harlem valley to the King's Bridge, which spanned the Harlem River at the northernmost tip of Manhattan. Since cattle on the road averaged only ten to twelve miles a day, from Putnam County to the city must have taken at least four days. Each night the cattle were pastured at drove stands: inns or large farmhouses that catered specially to drovers. Even when the drove had crossed the King's Bridge, there remained a full day's drive down the length of rural Manhattan before reaching the Bowery Lane, the only road that led into town.

In the city his destination was the Bull's Head Tavern in the Bowery, just above the present Canal Street, which for decades had been the city's cattle market. A rambling old structure with two low stories, and three dormer windows poking out of a third-story attic, it was quite run down, but still popular with its clientele. With its adjacent stockyards and slaughterhouse, it was the center of the butchers' district, known as the Bowery Village, on the northern fringe of the town. In the spacious ground-floor taproom or in the bustling cobbled yard in the rear, young Daniel rubbed elbows with butchers, drovers, farmers, and stage drivers. Here customers were met by chance or by arrangement, prices discussed, and deals consummated. His cattle sold, Drew would ride back

to Putnam County, the whole operation—driving the herd down, selling it, collecting the money, and returning home—having taken about two weeks.

Even at this point, when he was just hitting his stride in the business, Drew was not wholly committed to the tough, grubby life of a drover. Lured by the city, he tried to get permanent work there. In the wake of the Panic of 1819, however, there were few opportunities, so he continued in the cattle trade.

That trade was by its nature an unsettled one, and the men who followed it were known for rough talk, drink, and gambling. Although Daniel escaped the worst of these vices, which years later he attributed to the influence of his mother's piety, while in such company he drifted from the means of Grace. It was not easy to attend church and respect the Sabbath when driving cattle, and after a long day's work in the sun, how could a fellow not wet his whistle with the boys at a tavern? Once again young Daniel backslid. But if Daniel Drew had forgotten his Maker, his Maker had not forgotten Daniel.

One day—the date is uncertain, but it seems to have been not long before his marriage—he went on business in a gig with another man, riding out from New York to Manhattanville, a small rural village on the Hudson at what is now 125th Street. There, having fastened the horse under a whitewood tree, the two men walked into a field to examine some cattle. Suddenly a thunderstorm came up, and they hastened back to the gig for shelter. Scarcely seated, Daniel was dazzled by a blinding flash of lightning, then oblivion. When he came to, he and his companion were lying together on the ground, stunned but unharmed, while in front of them the horse lay dead in the harness. For Daniel it was a miraculous and providential escape, the meaning of which could not be mistaken; to this perennial backslider, God had spoken with the fire of lightning. Immediately Daniel recalled his past sins and resolved to mend his ways. Although as long as he remained in the cattle trade, his associations and itinerant existence kept him in a "backslidden" state, he never forgot the incident. Indeed, he told the story all his life, so vividly that it became a family tradition; a century and a half later, his descendants were still recounting it.

In the days before railroads, drovers worked in spring and fall but not in winter because roads became impassable and the hard ice injured the cattle's hooves, nor in summer because the heat could sweat pounds of meat off the animals. In his off-seasons Daniel returned to Putnam County to help his brother on the farm or to hire out to others as a laborer. At the beginning these were lean periods. Late in life, pointing to a shabby outbuilding near his country home, he told a visiting Meth-

odist professor how he had once boarded there for a dollar a week and had found the money hard to raise.

Meanwhile Thomas Drew continued as a farmer. With his older brother keeping him posted on city cattle prices, he probably turned early to stock raising, a specialization that he pursued in later years with profit. His father's farm was now his, deeded to him by the other heirs, who except for Daniel all had land of their own. By now, his half-sister Hannah and the slave were gone, although his mother still lived on the farm. Even so, the household was growing. On Christmas Day of 1816 Thomas had married Abigail Mead, the daughter of John Mead, a poor farmer who lived in the vicinity. Over the next fifteen years Abigail bore him two sons and five daughters.

In farming areas in those days, winter was a social season, and since for him it was also an idle time, Daniel surely participated. Here, White's fictional account is probably not wide of the mark: sleigh rides and paring bees, nut-cracking parties and candy-pulls, with refreshments of cake, new cider, apples, and hickory nuts; and kissing games too for the young, where even a very practical fellow—his head all business, perhaps a bit shy with the girls, and an off-and-on Methodist to boot—might manage to join in. The result was not surprising: after a brief courtship during the preceding winter, on March 5, 1820, Daniel Drew married Abigail Mead's younger sister Roxanna. He was twenty-two, she was twenty.

Little is known of the bride. Like most farm girls of the area, she was uneducated; when her husband sold some property in 1827, she had to sign the deed with her mark, although in later years, being called on to sign documents frequently, she learned to write her name. In marrying her one suspects that Daniel, chastened by the bolt of lightning, had decided to straighten up; as a traveling man who had to keep rough company, he wanted a good, decent woman and a cozy hearth to come home to. These were conventional needs, but adventure he got from his business life. As for Roxanna, she must have seen in her husband, for all his lack of refinement, plainness if not shabbiness of dress, and lack of property, a thrifty, enterprising fellow who, being alert, diligent, and shrewd, was bound to go far, although how far she never could have dreamed.

They lived at first with his brother, and in a year or so she bore a daughter, whom they named Catherine after Daniel's mother. In time they may have boarded nearby, until in 1827 Daniel bought a part of the old Clift farm, which at his death in 1821 Major Clift had left to two of his sons. Although it was good to have land of one's own, the new householder did not intend to settle down in Putnam County. All his thoughts and energy were harnessed to the city to the south.

In the early 1820s, with New York City bursting at the seams and its craving for beef insatiable, throughout the Hudson valley the roads were clogged with droves heading south. By 1825, estimates of the number of cattle driven to market yearly in the city were ranging as high as two hundred thousand.

It was the heyday of the drovers and the highways. Shunning the turnpikes, the cattlemen used the softer side roads, which were easier on the cattles' hooves, less crowded, and free from tolls. In dry weather, urged on by the crack of the boss's blacksnake, each plodding herd kicked up clouds of choking dust, while ahead of it and behind it more dust rose from other herds. Indeed, even the shunpikes could be crowded, for half of America seemed to be on the move. Besides the cattle men, there were grimy pig pelters, aristocratic horse drovers, emigrant families jammed with their belongings in canvas-covered wagons heading west, and sweaty teamsters riding beside laden wagons.

At the drove stands, having pastured their cattle, the tired drovers "liquored," gulped down ample meals, swapped gossip of the trade, and argued politics, then stumbled into bed and slept till daybreak, when they awakened to a symphony of neighing horses, lowing cattle, bleating sheep, and the grunting of corn-fed pigs. Quickly, having breakfasted and paid their bill, they got their herds under way, on to New York, the city that never stopped growing, the huge ravenous belly that consumed all the beeves they could provide, then called for more.

New York was the goal and test of the drovers, the climax of the trip. Far more important than buying the stock and getting it to market was the last stage of a drover's work, the one that could make him or break him—dickering in the cattle yard of the Bull's Head with the butchers of New York City.

In those days the city butchers were a close-knit group with their own district (the Bowery), their own association, and their own traditions. Stubborn, vigilant, shrewd, and jealous of their privileges, these men were tough to deal with in a cattle yard, all the more so in that the advantage lay generally with them, since on a given day they could choose to buy or not buy. The drover, on the other hand, after a trek of from thirty to two hundred miles, was pretty much committed to selling. He could pasture his drove with a farmer to await better prices, but those prices might not come, and he would still be out the cost of the pasture. Nor could foresight protect him, since he usually arrived in the city ignorant of the prices prevailing. Decidedly, selling cattle in New York was no job for the greenhorn; at times even old hands had the bit-terest of luck.

So how did Daniel Drew fare, when bargaining with the butchers at

the Bull's Head? Over the first several years, not so well, since by his own account he merely broke even. But, once he had learned his trade, he did remarkably well indeed. One suspects that, although by nature reticent, under at least two circumstances he enjoyed great liberty of speech: when fresh under the spell of religion, and when touting his stock in a cattle yard. In time, the butchers learned that this skinny young man from Putnam County—a hick in appearance, but alert and agile, and with piercing steel-gray eyes—usually had good cattle and knew it, and that he was a tight fellow to deal with, one who knew which end was up.

Eventually Drew came to do business with the town's foremost butcher, Henry Astor, the elder brother of John Jacob Astor, the fur magnate who by then was one of the richest men in America. According to tradition, Drew cheated old Henry outrageously.

For a bit of chicanery, Henry was no mean target. The son of a German butcher, in 1776 he had come to New York as young Heinrich Ashdour, a sutler accompanying the Hessian troops brought over by the British. Likable and thrifty, he had prospered, and when permitted to remain after the war, he became a citizen and persuaded his younger brother to emigrate as well. In 1785 Henry bought the Bull's Head Tavern, with its adjoining cattle yards and slaughterhouse, but left the tavern's management to others. As his fortune grew, Butcher Astor delighted in dressing his wife Dorothy in finery; in later days he would tell associates, "Dolly vass de pink of de Powery." Although he never amassed John Jacob's millions, he did well, thanks partly to hard work and thrift and partly to sharp practice. As regards the latter, an 1801 butchers' petition accused him and several others of riding out of the city to meet incoming droves of cattle and buy the pick of them, thus obliging fellow butchers, if they wanted choice meat, to buy from them at higher prices. By the time Daniel Drew became a drover, old Henry reigned as king of the butchers, thrifty as ever, opinionated, earthy, astute—the very image of the American self-made man.

Yet time had wrought its changes. In 1822 Henry Astor retired, becoming something of a banker, loaning out money at interest. By then, as the city expanded north along the Bowery, the butchers' district—with its smelly cattle yards and slaughterhouses and steers that on occasion ran amok, broke windows, and trampled or gored passers-by—had become an encumbrance. Accordingly, in 1825 Henry Astor sold the property to a company that tore the tavern down and built the Bowery Theater. The cattle market moved uptown to the new Bull's Head at Third Avenue and Twenty-fourth Street, which opened in May of that year. Clearly, although Henry's reign was drawing to a close, he was still a man of substance and shrewdness (he would leave an estate of half a

million dollars); he was still a man worth knowing and worth dealing with, and certainly worth cheating.

According to White, Daniel capped his career as a drover by fleecing Henry Astor through a monumental piece of deceit: the famous stock-watering scheme. According to White, Drew hit on the idea of feeding his drove quantities of salt. This he did stealthily at night, then the next day, having kept the thirst-crazed animals from water, allowed them to drink just before Astor, summoned by messenger, arrived to look them over. Upon viewing Drew's hefty cattle, each of which had drunk so greedily as to take on fifty pounds of weight, Astor conceded that they were "tolerable good," and after a stretch of hard bargaining, he bought the whole lot at the high price of three cents a pound.

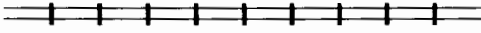
As White has Drew tell the story, a day or two later, when they chanced to meet in town, Astor confronted Drew furiously, whereupon Drew eluded him and made off for Putnam County. When they met again a few weeks later, Astor, much calmer, quite civilly declined to buy more cattle, but referred Drew to a competitor of his who did. Deceived by watered cattle in turn, this second butcher introduced Drew to a third who, when tricked similarly, referred him to still a fourth. So it went, until most of the local butchers had been cheated by the wily Drew, which explains the origin of the Wall Street expression "watered stock."

This story of White's has become famous, and many sober historians, with due allowance for White's fictional conversations, have accepted it as true. Did it really happen? Probably not. First of all, by the time in question Henry Astor, then in his seventies and without a market stall, was almost certainly not buying cattle. Moreover it is unlikely that he and the other New York butchers would have been deceived by so gross a stratagem, and even more unlikely that each of them, saying nothing, would have set up a colleague in turn. Nor is it probable that Drew, a practical businessman, would have jeopardized his future operations, all of which involved the New York butchers, for the sake of a momentary gain. Drew's reputation among the butchers was obviously excellent, because a few years later they permitted him to become the proprietor of the new Bull's Head Tavern, which they owned through an association. Furthermore, frank as they were about Drew's Wall Street operations, not one of the New York dailies' obituaries mentioned the cheating of Henry Astor; on the contrary, they stated that Drew had been an honest and trustworthy drover.

In his later years Drew's name was indeed linked to stock watering—the kind that Wall Street indulged in—and the ex-drover was credited with inventing the term. One version is recounted by the historian William Pelletreau, who says that when a broker tried to sell him some in-

flated stock, Drew replied: "That stock makes me think of old farmer Brooks up in 'Put,' who used to salt and water his stock to make his cattle weigh heavy when he sold them!" The broker then told the anecdote in Wall Street, where it became an adage.¹ In time, however, the practice itself was attributed to Drew as a drover, in which form White elaborated the story. When White's book was published, Drew's son discounted the story, but his statement has proved far less durable than White's printed word. Of all White's inventions, the cheating of Henry Astor is surely the most enduring, the most entertaining, and the most dubious.

In 1830 the proprietorship of the Bull's Head Tavern fell vacant. To Drew it seemed like the perfect opportunity. As the manager of the city's only cattle market, the proprietor of the Bull's Head would be at the center of business and business talk, with plenty of opportunities for profit. He applied for the position at once. Although without experience as an innkeeper, he had stayed in countless drove stands and knew both the butchers and the drovers, and they in turn knew him. Consequently, the butchers' association that owned the tavern allowed him to lease it. At long last he could sell his farm and move to the city. No longer just a drover, he now became the king of the drovers, a long stride ahead in his career.



King of the Bull's Head Tavern

The year 1830, when Daniel Drew took over at the Bull's Head, was the second year of the administration of Andrew Jackson, the hero of New Orleans. His election to the presidency had been ballyhooed by his supporters—promoters of one of the most successful political myths of all time—as the ultimate American success story. In him, they saw the triumphant progress of the common man, by dint of iron will and genius, from the log cabin to the White House, shattering in the process the combined forces of aristocracy, privilege, and corruption. Just how far the new egalitarianism could go had become apparent at the public reception at the White House following the inaugural address, when throngs of frontier well-wishers snatched refreshments from the waiters, broke glass and chinaware, climbed on the damasked chairs with muddy boots, and when wine and ice cream were removed to the garden outside, leaped through the windows in pursuit.

Jacksonian America was bursting with crude, vital energy, intoxicated by new land, new power, new technology, new businesses, and new utopias. America was a nation of pushers and doers whose coarse manners the English visitor Mrs. Trollope chronicled with fascinated horror, noting how the masculine half of Democracy put its feet up on the table, bragged, drank, chewed, swore, and spat, while its feminine counterpart, relegated to making sweetmeats and darning stockings, talked vapidly of sermons and dyspepsia pills, or attended camp meetings and revivals where orgies of repentance ensued, and overwrought adolescent females (as she noted with alarm) swooned beside handsome young ministers. Although it appalled Mrs. Trollope, this raw new society that had

put Old Hickory in the White House—a man who reputedly misspelled three words in four—constituted the perfect setting for another self-made man in the making, a farm boy turned cattle drover whose affinity for money and excitement launched him into tavern-keeping, then large-scale cattle-buying, steamboats, stocks, and banking.

For such ventures, he could not have been better located. A mecca for hucksters and hustlers, the city of New York, through a combination of luck, imagination, hard work, easy credit, and sheer unrelenting go-aheaditiveness (the word actually appeared in the press), had made itself the foremost port in the nation. Swelled by newcomers from both sides of the Atlantic, the population doubled every sixteen years. Irresistibly the city spread northward, imposing on Manhattan's topography a rigid gridiron of streets as farmlands were bought up, orchards chopped down, valleys filled, hills leveled, and ponds and cemeteries obliterated to make way for a booming metropolis, slum-ridden and riot-prone already, that each year grew richer, bigger, brasher, denser, and grimmer; and hungrier, as well. To feed the city's tens then hundreds of thousands, drovers had to bring in cattle from more and more distant areas, and they pastured and sold them at the Bull's Head, all of which meant profits for Daniel Drew.

In those days the Bull's Head Tavern was a large three-story frame structure with an attic standing on the northwest corner of Third Avenue and Twenty-fourth street, with its gable end facing Twenty-fourth Street and a brick front along the avenue. The signboard, featuring a grim bull's head, swung from a post at the corner, while beneath it hung the dinner bell with a rope attached. Adjoining it at its northwest corner was an annex, which probably served as a dining hall. Behind the tavern was a large barn with one end abutting Twenty-fourth Street, said to have been a low Dutch stable with a wooden pump and trough in front of it. The land owned by the butchers' association included most of the two large blocks bordered by Lexington and Third avenues on the west and east, and by Twenty-third and Twenty-fifth streets on the south and north, affording ample room for cattle yards with a capacity of fifteen hundred head, as well as various outbuildings, and pens for pigs and sheep.

The location was in fact semirural, since most of the city remained below Fourteenth Street, although a thin line of buildings stretched north along Third Avenue, the main route north to Harlem. To the west of the Bull's Head was a pleasant woodland where people from the city came to picnic, while on the other side of Third Avenue there were slaughterhouses and sheds, and in time two rival hostleries: the Black Swan and the smaller Bull's Head Junior. The whole area was known as the Bull's Head Village and constituted the northernmost limit of the

city, as evidenced by the common saying "from Bull's Head to the Battery." Here cattle from the north could be brought in, sold, slaughtered, and the meat distributed with minimum inconvenience to the city. But cattle from the west, upon arriving by ferry from New Jersey, had to pass through the city's streets to get there, an increasingly frequent spectacle as trans-Allegheny drives multiplied in the 1830s.

Monday was the main market day at the Bull's Head, which meant that, at some cost to respect for the Sabbath, an average of seven hundred head of cattle, plus calves, sheep, and pigs in smaller numbers, would be driven into the pens by Sunday evening, while the tavern's guests might be lodged two or three to a room or even two strangers to a bed. If an excess of cattle appeared, the drovers often called a meeting at which each of them agreed to send a quota of cattle to pasture, to await the secondary market on Thursday. Thus prepared, Monday morning presented the liveliest spectacle. The tavern and yard thronged with butchers and drovers doing business, plus keen-eyed speculators, farmers looking for cattle to pasture, and a crowd of onlookers. In the single sale lot, all the cattle were mixed together, urged this way or that by running, shouting, prodding cattle boys, as by mark or by appearance the sellers identified their animals. On the fringe of things, hawkers sold clothing, jewelry, watches, soap, and knives, while thimblerriggers in beaver hats and fancy vests tried their sleight of hand on the unwary. The whole vivid scene unfolded to the constant music of whinnying, lowing, grunting, and bleating animals.

At midday the dinner bell rang, precipitating a pell-mell rush to the dining saloon, where the patrons grabbed a seat, helped themselves at once, and dined voraciously. Those too polite, slow, or faint of heart to secure seats at the first service fared shabbily at the second, following which trading resumed. The finest cattle were usually sold the first thing in the morning; by afternoon, butchers would be leading their purchases away, while drovers who had made few sales would be sacrificing stock at low prices, or making arrangements to pasture them over till Thursday. If sales had gone well, the drovers would be standing friends to drinks at the bar; if they had gone badly, they would be calling it "the meanest kind of a market" and proclaiming themselves "dead broke."

Over all these proceedings Daniel Drew presided as host and manager, as mediator and pacifier if need be, and as banker, too. In the absence of banks it was the practice of many innkeepers to carry large accounts for drovers who wished to avoid the expense and delay of a week's further stay in the city until they got the money for their animals. Setting himself up as a collector, Drew cashed the drovers' bills on the butchers, who had thirty days' credit, and for his trouble took one percent interest. In addition, any guest with large quantities of cash on

hand—a drover who had just been paid or the winner in a game of chance—might deposit his funds with the host, who placed them in an iron safe built into the brick wall of the taproom, which served as the tavern's office. Money management came natural to Drew, who became the banker of more than half the drovers in the city, one of several circumstances that led directly to his Wall Street career.

To help him run the Bull's Head, in 1830 Daniel Drew had living in the house his wife Roxanna (no innkeeper's wife was ever idle), at least one white assistant and bartender, and six free blacks—three men and three women. Roxanna, who probably supervised the maids and kitchen help, and his little daughter Catherine were the only white women on the premises. Among the blacks who worked for him was Orrin Hutchinson, whose mother was a convert highly esteemed among the Methodists of Southeast; later Orrin would work for Drew as a steward on his steamboats, too. From the outset, Drew was inclined to hire friends and relatives, a practice that for him, thanks to his judgment of character, always bore excellent results.

If his life as a drover had led Drew to lose his religion, his life as an innkeeper made him stray even farther from the fold. In those days, when the first words of two strangers who had just met were apt to be, "Let's liquor," no innkeeper could have prospered without maintaining a first-rate taproom. At the Bull's Head, whenever the cattle market was not in operation, the patrons made a beeline for the bar, where butchers, drovers, rough farmers, and refined gentlemen mingled readily, smoking, spitting, arguing, telling tall tales, and toasting or damning the president. The favorite drinks were apple jack, brandy and water, and cider, dispensed at six cents a tumbler, though the Bull's Head was also known for its superior Jamaica rum.

Gambling too was common at the Bull's Head, which was just a bit awkward for Drew, who as a tavernkeeper was forbidden by law to tolerate any form of it, at the risk of losing his license. It would have taken more than admonitions from the host, however, to keep the patrons of the Bull's Head from gathering each evening around a long table in the taproom to throw dice for small stakes, or from risking big ones in the game of "crack-a-loo," in which the pot was won by the player who tossed a coin nearest a designated crack in the floor. Fair-weather diversions would have included quoits and horseshoes, weight-lifting, impromptu wrestling matches, and horse racing up Third Avenue. In addition, noisy revels were not unknown at the Black Swann just across the road, but if in her younger years Roxanna Drew harbored even a fraction of the severity that dominates the portrait done of her in later years, now hanging at Drew University, one suspects that such roistering was rare at the Bull's Head.

Although trusted and esteemed by his patrons, Drew himself was never a glad-hander, a hearty mixer drinking with the boys, backslapping and swapping jokes. Rather, they knew him as a competent manager who ran a comfortable and economical house, a man whose orderly and businesslike ways benefited both his guests and himself. Years later they would remember him in the dim light of the taproom, oblivious to the chatter and drinking all around him, pacing solemnly back and forth in a blue, brass-buttoned swallow-tail coat, his hands clasped behind him, his reflective eyes shaded by the rim of a bell-shaped hat, as he pondered some business scheme. Indeed, his mind was elsewhere: on real estate and cattle speculations, on steamboats, and ultimately on Wall Street. For Daniel Drew, the Bull's Head was only a stepping stone.

In moving to the Bull's Head, Drew had not severed his ties with Putnam County. All his life his interests oscillated between his home county and New York City. Feeling a warm regard for his mother, in the 1830s he must have visited her often, taking a steamboat up the Hudson to Peekskill, then traveling overland to Carmel or, when winter ice closed the Hudson, going the whole way by stage. During these visits he kept his eye out for good local farmland, since as a seasoned cattleman he wanted to raise stock as well as trade in it. In 1833 he bought from one of Major Clift's sons the bulk of the old Clift farm, another slice of which he had already owned and sold; he paid \$17,000 and assumed a mortgage.

Supplemented by another forty acres, this fine pastureland became the 386-acre farm that belonged to Drew for thirty years and to his family for the balance of the century; it later received the name of Drewslift.¹ Immediately he hired John Mead, the youngest of his wife's three brothers, to move onto the property (the site of his first conversion) and to live there as superintendent. Thereafter John Mead, with his brothers Harry and Charles Mead, worked the farm for him, although he himself supplied the stock and kept it under close inspection. Owning a big farm "up in Put" and paying his in-laws to look after it must have shown the home folks how Daniel was getting on in the city. At the same time, it let him keep his hand in the one kind of farming that appealed to him, the fattening of beeves for market.

Fat beeves and where to find them were much on Drew's mind in the early 1830s, for managing the Bull's Head had not made him give up droving. With the city's demand ever growing, competition keen, and supplies within the state inadequate, once again he enlarged his operations. First, taking other men as partners, he moved into eastern Pennsylvania, where farmers were fattening on corn limited numbers of

three-year-old steers that had been brought over the mountains from Ohio. From these farmers, if not from drovers in the taproom of the Bull's Head, he learned of vast herds of corn-fattened cattle in the rich bottom lands of the distant Scioto Valley of Ohio, a large new supply, virtually untapped, that could be had (so they said) for a song. Of course there was a catch, and a big one. These cattle were not easy to bring to market by water, because shipping livestock via the Erie Canal was slow, awkward, and expensive. But the land route to the Eastern markets, a good five hundred miles of country, was blocked by bad roads, unbridged streams, and the mighty barrier of the Alleghenies. Given these obstacles, drovers on both sides of the mountains had concluded that too much stock would be lost along the way and that whatever animals did reach the coast would be too thin to market profitably. But the more he thought about those fat, cheap cattle grazing lushly in distant Ohio, the more Drew yearned for them and for the prices they would fetch in New York. He made up his mind that he would show the boys the thing could be done.

All his life Drew was fond of telling how he had been the first to drive Western cattle over the mountains to the East, a claim that, unless qualified, cannot be allowed. As early as 1805 George Renick of Chillicothe, Ohio, had driven sixty-eight cattle from the Scioto Valley over the Cumberland Road to Baltimore, thus initiating the cattle trade between Ohio and the eastern seaboard. Because of the problems involved, this trade was slow in developing, but as cattle multiplied in the West and demand soared in the East, the more venturesome drovers kept trying. In June 1817 the first drove reached New York—over a hundred cattle from Chillicothe that were sold at the old Bull's Head for the excellent price of sixty-nine dollars a head. Yet not until 1824 did the next Ohio droves reach New York, and they appeared sporadically at best thereafter. By the early 1830s, however, the time was ripe.

When Daniel Drew got the idea of bringing cattle over the mountains to New York, it still seemed a daring, even a foolhardy, notion. To be profitable at all, it would have to be an extensive operation, requiring partners and capital. As regards capital, he was thinking big. In an age when a drover setting out with four thousand dollars was considered an important operator, Drew wanted ten or even twenty times as much, although to obtain this amount in loans he had no security to offer. Accordingly, he went to Henry Astor, the retired butcher now turned banker, presented his scheme, and asked for a loan. Old Henry pondered: he knew the cattle business, he knew the dangers, and he knew Daniel Drew. "I'll take the risk!" he declared.²

It was spring in the early 1830s when Drew's party, perhaps only two or three in number, since hands could be hired in the West, set out by

stage coach, crossed New Jersey and Pennsylvania, traversed the Alleghenies, and finally reached central Ohio. At this time it was a jouncing, tiring trip over roads that got worse all the way. But it was worth it, for in the middle Scioto Valley they found a drover's dream come true—thousands upon thousands of cattle being fattened annually. Wintered on corn and grazed in the summer on bluegrass, there were perhaps twelve thousand head in all, including quantities of fat, solid beeves ripe for market.

As newcomers all the way from New York, with cattle on their minds and sound Eastern bank notes in their pockets, Drew and his partners must have evoked a hearty welcome from the Buckeyes. Doubtless the leading cattlemen informed them of the local herds available and introduced them around. For several weeks they must have visited the farms, buying cattle, after which, since by New York standards the cattle were cheap, they may have extended their operations southward into the bluegrass region of Kentucky, another great cattle-feeding area. In all, they purchased some two thousand head, which with the help of hired hands they gathered in droves and moved toward the mountains, covering perhaps ten miles a day over unpaved roads that became a clayey morass when it rained and swirls of dust in the heat. Surely it was the largest cattle operation in a single season ever seen in Pennsylvania or Ohio.

In Pennsylvania, Drew and his men took the cattle over the mountains a hundred at a time. Probably, heading southeast from Pittsburgh toward Chambersburg, they followed a cutoff preferred by cattlemen called the Three Mountain Trail. Within a distance of about ten miles, this rugged, winding track climbed over three parallel ridges with intervening deep, narrow valleys. This was the most arduous stretch of all, consisting of a rocky trail never more than twenty feet wide, dusty in dry weather unless summer rains reduced it to a quagmire, with steep banks where cattle plunged readily to their death, and wilderness where the animals went astray or fell victims to wolves at night. Traversed in the late spring or early summer, the region would have been a mountain paradise with morning mist, pure air, and bird songs, surrounded on all sides by blue tops of ridges capped by clouds. These were vistas that Drew, one suspects, gave little thought to, preoccupied as he was with his drove's safety, with the "shrink" being sweated off his beeves, and with the price they would bring in New York. Well might he have worried, since hundreds of cattle, perhaps a sixth or a fifth of the whole, were lost on the way, mostly through straying in the forests and mountains.

After nearly two months on the road, Drew at long last ferried his drove over the Hudson and brought it into the Bull's Head, thus con-

founding the skeptics. His cheap Western cattle brought a good price on the market, so that despite the heavy losses on the road, he made tens of thousands of dollars and repaid Henry Astor's loan.

If this was not the first cattle drive over the mountains, it was surely the first successful one of this magnitude, and it established Drew as the foremost cattle dealer in the city. Yet more than just business was involved. Having overcome mud, dust, ruts, swollen streams, wilderness, and towering mountains to bring his Western beeves to New York, Daniel Drew had had a hand in the making of America, an achievement that this least heroic of men delighted to recount all his life. It was his one physical exploit, and he relished it.

In the course of the 1830s, Drew and his associates made more cattle-buying trips to the West, visiting not only Ohio but also Kentucky, Indiana, and Illinois, where at one time or another they probably reached all the major cattle-feeding ranges of the area. Their drives from these regions to New York involved investments of at least thirty or forty thousand dollars at a time, and eastward treks of up to ten weeks, but the profits were always substantial.

Of course they were not the only ones engaged in such trade. Organized by Western drovers, trans-Allegheny drives became common in the 1830s. Leaving Ohio, or even Kentucky, Indiana, or Illinois, between mid-February and June (the first drives got under way as soon as the roads were passable), typical herds of from one hundred to two hundred head, accompanied by three attendants, so clogged the mountain roads that by early summer the dust never settled. When the Westerners reached New York between mid-April and mid-August, weary from their six to ten weeks on the road, they found a ready welcome at the Bull's Head, where Drew himself, if not absent on a venture of his own, might greet them at the door, ask what they would have to drink, and recommend his excellent Jamaica rum.

But not all the drovers reached New York. Often at Harrisburg or other points in eastern Pennsylvania, with the arduous mountain crossing well behind them, the cattlemen, sweat-soaked, tired, and ragged, encountered gentlemen sitting comfortably in gigs. These were speculators who had driven out from New York, Philadelphia, or Baltimore to intercept the incoming herds, which they offered to buy in their entirety and accompany with their own crews the rest of the way. Being ignorant of current prices in the city, the drovers faced the difficult decision either to take the price offered or press on and run the risks of the market. Often they sold, although they might regret it keenly afterward.

By the late 1830s Daniel Drew was one of these speculators sitting snugly in a gig, meeting incoming droves three or four days out from the city. Now that others were bringing Western beeves over the mountains,

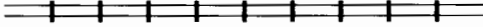
why should he go to all that risk and trouble himself? With ever greater funds at his disposal, on occasion he even went to Philadelphia, bought up entire herds, and secured a corner on the market. Within just a few years he had ceased to be a drover involved firsthand in the trade and had become a large-scale capitalist, a manipulator. Gone forever was the Daniel of the epic mountain crossings, the drover pioneer. It was not in him to be heroic for long; nor did he have to be. He was a money manager now and had his eye on Wall Street.

Two unhappy events marred Drew's last years at the Bull's Head. In May of 1836, fifteen years after the birth of their first child Catherine, Roxanna Drew gave birth to a second daughter, Josephine. However, this new daughter died on April 20, 1837, at the age of eleven months.

Meanwhile Catherine, the other daughter, was fast maturing. Still probably the only white girl on the premises, she was not long in finding a husband. The young man was named Roswell Willcox Chamberlain. He was her father's assistant at the Bull's Head, perhaps bartending a bit and looking after the place whenever the boss was away. Probably in 1838, when he was twenty-eight and she about seventeen, Roswell married Catherine, following which the young couple continued to live at the Bull's Head. On October 20, 1838, Roswell Chamberlain died of what the doctor termed a bilious fever, leaving his young wife about two months pregnant.

Perhaps his daughter's widowhood was a further inducement for Drew to leave the Bull's Head. At any rate, by May of the following year he had relinquished the tavern's proprietorship and moved into the city, leasing a house at 42 Bleecker Street and an office in Wall Street. It was surely at the Bleecker Street residence that on May 20, 1839, his first grandchild was born, a boy who was named Daniel Drew Chamberlain.

For his wife Roxanna, this first grandchild would have been the second great event of the season. The first was the new residence itself, a three-story row house on elegant Bleecker Street that was only one block from Bond Street, the most desirable address in the city. To exchange the Bull's Head Tavern, with its atmosphere of tobacco, cattle dung, and whiskey, for the quiet of a refined interior, with carpets underfoot and drapes flanking tall front windows, may well have slightly dazed Roxanna. Yet it was time for a crack at gentility. Her husband was launching a career in Wall Street and had long since become a major operator of steamboats on the Hudson. The move to Bleecker Street confirmed that the ex-drover and the farm girl from Putnam County had "arrived."³



Into Steamboating

In September 1814 when Daniel Drew, as a wide-eyed young Putnam County militiaman, first sailed down the Hudson to New York, he must have gaped in wonder at one or another of Robert Fulton's early steamboats, which for seven years had been plying between New York and Albany. These were flush-decked little sidewheelers with masts and sails, awnings fore and aft to shelter passengers, the engine and boiler amidships, and a single funnel emitting clouds of smoke and sparks, of which the latter, cast off by dry pine wood fuel, created breathtaking patterns at night. But neither then nor later, when he was driving cattle to the city, did young Daniel have any reason to anticipate involvement, other than occasionally as a passenger, with these impressive fire-breathing boats.

Yet New York City, where he resided as of 1830, was all but predestined to a dominant role in the steamboat's evolution. Its large, protected harbor, with adjacent sheltered waterways leading toward Philadelphia and Boston, and the deep, navigable channel of the Hudson stretching far north into the interior, where it connected with routes to Canada and the West—everything, in short, about the city's geography—seemed ideal for steamboat navigation. That the city should undertake the construction and operation of steamboats with a keen sense of Yankee “go-ahead” was further encouraged by several major events. First, in 1824 and 1825 federal and state courts annulled the monopoly on state waters that the legislature had granted Fulton and Robert R. Livingston. Then, in October 1825, came the much-celebrated opening of the Erie Canal, which, by establishing a water link between the Hudson River valley and the Great Lakes, secured for the port of New York access to a vast com-

mercial hinterland in the West. Immediately, with state waters open to everyone and commerce thriving, there had followed a wild stampede of independent steamboat operators to obtain the freight and passenger business of the river.

The passenger business had proved especially lucrative, for Americans liked to travel fast but in comfort, conditions met by neither sailing vessels nor stages. Even at the risk of boiler explosions that on occasion hurled victims from one state to another, passengers flocked to the boats, so that prodigious profits were realized by aggressive owners. To enter steamboating did not require excessive capital, since nature had provided the thoroughfares; to exploit them, a number of partners need only pool their resources to procure and operate a boat. As a result, this exciting new business lured many small capitalists wholly without experience on the water, but amply endowed with such traditional Yankee virtues as initiative, energy, and greed.

Daniel Drew was just such a man, yet his first involvement in steamboating came about by chance. In the summer of 1831 his friend Hackaliah Bailey of Westchester, whose elephant Old Bet had been instrumental in launching the American circus many years before, came to him with a business proposition to invest in Bailey's new steamboat, the *Water Witch*. That same year Bailey and Charles Davison of new London, Connecticut, had had the *Water Witch* built in New York; with Davison as master, on July 30 it had begun operating on Long Island Sound between New York and New London. Almost immediately, however, certain residents of the lower Hudson valley had invited Bailey to put his vessel on the run between New York and Peekskill. These residents were organizing a joint stock company to finance a boat on the route, for which they thought the *Water Witch* ideal.

This invitation was prompted by circumstances connected with a recent calamity. On June 7, 1831, Captain Jacob Vanderbilt's steamboat *General Jackson*, which for two years had been plying the Hudson between New York and Peekskill, had been demolished by a boiler explosion at a landing in Haverstraw Bay. The explosion killed at least seven or eight and scalded many more, but Jake Vanderbilt himself, on shore at the time of the accident, survived unscathed and moments later was said to have exclaimed, "Ain't I a lucky dog?" This remark, when reported, provoked much comment, given the wreckage and maimed bodies lying all about at the time. Furthermore, when the steamboat *Albany* passed the wreck an hour later, Vanderbilt left the wounded to hop aboard and hasten to New York, ostensibly to fetch help but more likely, it was thought, to find a replacement for his vessel, lest some other operator take over the route. When he showed up the following day with his brother Cornelius's old boat *Bellona*, the indignant citizens of Peekskill refused to let him land at the dock. Convinced that Captain Jake

had long overcharged them, they and other residents of the area now concluded that he was callous as well and, in view of the accident, probably negligent to boot. Assailed in both the Albany and New York press, Jake Vanderbilt published a lengthy statement defending his vessel, his crew, and himself, while branding the lucky dog story "a base and atrocious falsehood."¹ Meanwhile, with the *General Jackson* out of service pending repairs, he asked his elder brother Cornelius to switch other boats to the route.

His former patrons, however, wanted no more of Captain Jake and his vessels, which they pelted with eggs and drove from the landings. Determined to form a company to finance a rival boat of their own, the local residents learned that their neighbor Hackaliah Bailey had a new boat that was bigger, better, and faster than the *General Jackson* or any of the boats replacing it. They urged Bailey to place the *Water Witch* on the Peekskill run, and Bailey, seeing the whole region up in arms against Jake Vanderbilt, recognized a unique opportunity. He in turn asked Daniel Drew, installed for over a year at the Bull's Head, if he cared to participate. Since Bailey lived in the Westchester township of Mount Pleasant, he was probably looking for an on-the-spot co-owner who could manage the boat's daily operations. Drew seemed ideal for the job, all the more so since he surely knew the Peekskill run from his numerous trips between New York and Carmel, and since, as an ex-drover, he was well known to the Putnam and Westchester residents whom the line would serve. About the steamboat business itself, to be sure, Drew knew even less than he had about tavern-keeping when he began at the Bull's Head, but this did not hold him back. Having a keen nose for profits and excitement, he accepted Bailey's offer and invested a thousand dollars in the *Water Witch*. The lower Hudson valley citizens' revolt against a cruel and wicked monopoly had found its hero, or at least its agent.

The new vessel of which Drew was now part owner was enrolled at the New York Custom House (as required by federal law) at 134 feet in length and 207 tons, substantial dimensions for its time. In appearance it was a typical Eastern river boat, a shallow-drafted, long, narrow vessel adapted to sheltered waterways, with a large low-pressure engine and sidewheels, built for speed. If its arrangements were typical, they included in the hold a gentlemen's cabin that doubled as a dining room; toward the stern on the main deck above, a ladies' cabin; and over that, a promenade deck exposed on all sides, either open above or roofed with an awning. Forward amidships sat the boxlike pilot house, behind which, flanked on either side by the rounded housings of the paddle wheels, loomed the iron walking beam, and somewhat farther astern, the two towering funnels. Long hailed as floating palaces, such vessels were miracles of technology, sleek aristocrats beside whom their freight-laden, clumsy Western cousins, the river boats of the Ohio and Mississippi val-

leys, looked like wedding cakes mounted on scows. At the sight of such engineering triumphs, foreigners who deprecated Yankee manners marveled unstintingly.

An advertisement in the *Evening Post* of August 12, 1831, announced that the *Water Witch* would leave the foot of Warren Street at 7:00 A.M. daily for Sing Sing and Peekskill, touching at all the intermediate landings, and then return the same day, leaving Peekskill at 1:00 P.M. "No pains will be spared," the public was informed, "to render every accommodation to the travelling community on this rout [*sic*] with the hope to merit their patronage." At the sight of his first vessel in actual operation, with its decks stacked with wood, its funnels belching smoke, the walking beam oscillating, and the paddle wheels churning, Drew must have felt a special thrill of ownership. No longer just a cattleman, he was launched in steamboating, a career that he was to pursue all his life.

And he was launched in a fight as well. Leaving New York daily for Peekskill, and Peekskill for New York, at the same time as the *Water Witch* was the steamboat *Flushing*, owned and operated by Captain Curtis Peck of Flushing, Long Island. The *Flushing* had been on the route for over a month, chartered by Cornelius Vanderbilt until his own *Cinderella*, being built in New York that year, could be completed and placed on the run. Certainly the Vanderbilt brothers had no intention of forfeiting the route to outsiders, and just as certainly Daniel Drew, the *Water Witch's* managing owner, was determined to make them do precisely that. When Drew scheduled his boat to depart at the same time as the *Flushing*, he issued the most blatant of challenges. A rate war resulted, pitting him against Cornelius Vanderbilt in the first fight between two men who would be friends and enemies, allies and rivals over the next forty-six years.

Three years Drew's senior, Cornelius Vanderbilt had been born on Staten Island, the son of a plodding farmer of Dutch descent and a shrewd Yankee mother. A husky, self-reliant youth, at the age of sixteen he had acquired his own periauger—a flat-bottomed little two-masted sailing vessel—with which he initiated a highly successful ferry service to the city. Over the next few years he became the ablest boatman in the harbor, adroit, hard-working, combative—he liked to "wrestle"—and renowned equally for rough language and a physical courage exhibited in several daring rescues at sea. In 1818, convinced that "b'ilers" had it over sails, he sold his sailing vessels and went to work for Thomas Gibbons, the independent New Jersey steamboat operator who was then at war with the Fulton-Livingston monopoly. Regularly over the next several years, in open violation of the laws of New York State, Vanderbilt brought Gibbons's steamboats over to New York, where by one trick or another he almost always eluded the constables sent to arrest him. After Gibbons's victory in the United States Supreme Court in 1824, ending the

monopoly on interstate waters, Vanderbilt started a steamboat line of his own in New Jersey, engaging in cutthroat competition with the Stevens family of Hoboken, who in desperation bought him off the route. Anxious to get a foothold on the Hudson, he was determined to keep the Peekskill route for his brother and himself. Especially himself, one suspects. Given the state of public opinion, he surely advised Jake to transfer his talents to Long Island Sound.

During the ensuing rate war Cornele Vanderbilt often met Drew on the docks. Outwardly the two could not have differed more. The blue-eyed, square-jawed Vanderbilt was tall, handsome, erect, striking in speech and manner, and richly profane—a big-boned, rangy fellow with great physical presence and an air of potency. In rapid succession he fathered nine daughters and four sons with his wife Sophia, exhausting her in the process, and he still had libido to expend on other women. Drew on the other hand, although tall as well, gave no hints of such presence or prowess. A quiet, thin-voiced man with dark hair and a dark complexion, and perhaps already traces of the pinched face of his later years, he was plain at best, low-keyed, and reserved, as devious, discreet, and unobtrusive (surely he had never “wrestled”) as his opponent was direct, forthright, and bold. Quickly they sized each other up. Although it was said of Vanderbilt that he could measure a man from his crown to his toes by looking at him, in Drew’s case he made a mistake. A veteran of over twenty years on the water, Vanderbilt simply could not conceive that this cattle-driving, tavern-keeping landlubber knew what he was about. Repeatedly he told Drew on the dock, “You have no business in this trade. You don’t understand it and you can’t succeed!”²

Daniel Drew was not used to being informed that he could not succeed; it nettled him. If this crusty, big-limbed wharf rat wanted a fight, he would give it to him. Relentlessly, he slashed the rates on the *Water Witch*, forcing his opponent to match them, till by October both boats were carrying passengers at twelve and one-half cents a head. Meanwhile Drew and his partners, depicting the Vanderbilts as outsiders, monopolists, and rate gougers, exploited local loyalties for all they were worth. A *Water Witch* ad in the *Morning Courier and New-York Enquirer* of October 4, 1831, announced that the vessel was now being operated by the newly organized Westchester and Putnam County Steam Boat Company, a joint stock company owned chiefly by the inhabitants of Westchester, Putnam, and Rockland counties. In the same ad the *Water Witch*’s management promised in the name of safety never to race the other boat (the *General Jackson* explosion had made the public wary), and they pledged themselves to a maximum rate of only fifty cents, while warning that if they failed to get public support, travelers would be charged exorbitant rates and forced to travel in small and un-

safe boats. (It goes without saying that Vanderbilt's *Cinderella*, which had appeared on the run in September, was of smaller dimensions than the *Water Witch*.)

The campaign was a stunning success. With the entire lower Hudson valley rallying behind the antimonopolists, the *Water Witch* carried from three hundred to six hundred passengers a day and was welcomed by tumultuous, cheering crowds at every landing. The *Cinderella*, on the other hand, carried only twenty or thirty, and at times only a solitary patron who hid from the hostile gaze of the locals; at best, its master encountered sullen resentment at the wharves and sometimes, when a rope was cast ashore to make fast, not a single hand that would take it. Vanderbilt, faced with daily receipts as low as twelve and one-half cents, knew he had been bested, but even so resolved to stick it out. Grudgingly, he had to concede that the cattle drover had a head for business and, like himself, a fair amount of obstinacy. When he met Drew now on the docks, although he might joke a bit about Drew's inexperience in steamboats, he quickly turned serious and put it to him straight: since the rate war was ruinous to both of them, in the name of good sense alone, Drew ought to abandon the route. But Drew refused.

The *Water Witch* ran to the very end of the season, until ice blocked the river in December. Its last advertisement, in the *Evening Post* of December 16, 1831, announced that it had discontinued service for the winter, but would resume it at the opening of navigation, refitted for improved accommodations and speed. The evil monopoly had been trounced, and Daniel Drew was a hero. Exultant, the *Water Witch*'s patrons looked forward to another season of cheap, safe, and speedy transportation.

In early March of 1832, however, when service between Peekskill and New York resumed, to the patrons' astonishment it was the *Cinderella* that provided it, and at the higher rate originally prevailing. With the *Water Witch* nowhere in sight, they had to give their business to the enemy. Then in April the *Water Witch* reappeared at last, but running not to Peekskill but Albany, and in the service of none other than Cornelius Vanderbilt. A few days later, when the boat reverted to the Peekskill run, it was still in Vanderbilt's service, skippered by one of his captains and charging the higher fare. The local citizens, many of whom held stock in the boat, were beside themselves with rage and dismay. What had happened?

To begin with, although it had reaped much glory, because of its low fare the *Water Witch* had ended the previous season about ten thousand dollars in debt. Sick of the enterprise, for twenty thousand dollars Hackaliah Bailey sold his interest in the boat to Daniel Drew and four other New Yorkers; Charles Davison likewise sold out and returned to opera-

tions on the sound. The stockholders of the company then entrusted Drew and James Smith, a New York shipmaster, with the vessel's management, whereupon, at either his initiative or their own, Drew and Smith secretly opened negotiations with Vanderbilt. Cornelius too was weary of battle, and so he embraced the solution that the Stevenses had adopted when dealing with him in New Jersey: to buy the enemy off. He proposed that Drew and Smith leave the route, in effect, that they abandon the battlefield at the very moment of victory, betraying honor and consistency, and the trust invested in them by the citizens of three counties, all for the mere sake of money, to which Drew and Smith, without consulting or even informing the shareholders, agreed. Furthermore, so attuned now were they to Vanderbilt's desires, that as controlling managers they even placed their boat at his disposal, under which arrangement it ran first to Albany, then to Peekskill, and later on other routes in New Jersey.

Although in early steamboating quick shifts of alliance among operators were probably more the rule than the exception, this about-face (not to say double cross) by Drew and Smith was a prime bit of rascality, an early foreshadowing of Uncle Daniel's wiles on Wall Street. An astute, cool-headed businessman, Drew had weighed the advantages of alliance with his enemy against loyalty to the stockholders and found the latter sadly deficient. More than that, he was probably a bit dazzled by Vanderbilt, humbly born and illiterate like himself, but a comer if there ever was one, in the splendor of whose ruthless ego mere ordinary mortals—one's fellow shareholders, for instance—paled to irrelevance. To encounter such a fellow was stimulating; to walk in step with him, inspiring. All his life Drew, even while bucking and beguiling him, would see in Vanderbilt a man to admire and emulate.

In dumping his allies for Vanderbilt, Daniel Drew gave proof of the peculiarly Yankee quality of "smartness." Almost universally admired throughout America (with the notable exception of pulpits), "smartness" was shrewdness in business pushed to, and often a good bit beyond, the limits of legality and honesty. It was evidenced by all Yankee peddlers and "hoss" traders; by almost any drover dickering with a farmer, or any butcher dickering with a drover; by capitalists, promoters, lawyers, showmen, and thieves. When Mrs. Trollope complained to her hotel waiter in New York of being overcharged by a hackman, but admitted that she had failed to make a bargain in advance, she was told with a triumphant look, "Then I expect the Yankee has been too smart for you."³ And when Charles Dickens, visiting America in 1842, asked time and again why certain men known to be "dishonourable, debased, and profligate" were tolerated and abetted by the citizens, he was always told, "Well, sir, he is a smart man."⁴ In evangelized, church-going America,

smartness was an essential weekday trait geared to the twin imperatives of go-ahead and get-more. It led easily from sharp practice to chicanery; in Drew's case, from the bluff and cajolery of a cattle dicker to unequivocal deceit and betrayal. From this time forth, Daniel Drew showed evidence of being a very smart man.

This perception afforded little solace to the minority owners of the *Water Witch*, who protested vehemently and threatened legal action. Few of them, however, owned more than a hundred dollars' worth of stock, and since Drew and Smith had functioned legally as managers, there was little the protesters could do but sell their shares at a great loss to the Vanderbilts. No doubt they cursed Drew as well, but he shrugged it off. After all, the soreheads were mostly from over near the river, which was not even his end of the county! As for the *Water Witch*, over the next few years it plied various routes, especially between New York and Hartford, where with Jake Vanderbilt as captain it acquired a great reputation for speed. Drew remained part owner until 1836, when Cornelius Vanderbilt at last bought him out.

So ended Drew's first venture into steamboating, so instructive for all concerned. Hackaliah Bailey learned that steamboats are more complicated than elephants; Cornelius Vanderbilt, that Daniel Drew of the Bull's Head was "smart" enough to take a large bite out of him; Drew, that Vanderbilt was a worthy foe and even worthier ally; and numerous residents of the lower Hudson valley, what happens to small fry when the big fish get together. It had been a splendid start for Daniel on the Hudson, so he decided to expand his operations.

Even while competing on the Peekskill run, Drew and Vanderbilt must have had an eye on the most lucrative route of all, the run 145 miles up the Hudson to the state capital of Albany, and five miles farther to Troy, Albany's arch rival, at the head of navigation. This was a much-traveled route with stage connections for Canada and the West, for which the biggest operators and the finest boats were contending. Under the original Fulton-Livingston monopoly, the fare to Albany had been fixed at five dollars, but after the monopoly's dissolution intense competition had driven it down to one dollar, to fifty cents, and even to twenty-five cents, although meals were extra and the price of drinks at the bar might soar.

Prominent among the Hudson River operators were Robert L. and James Stevens of Hoboken, whose father John Stevens had built the second successful steamboat in America. Well on their way to dominating the New York-Philadelphia traffic through their control of the Camden & Amboy Railroad in New Jersey, the Stevenses were powerful on the Hudson as well, especially Robert, a brilliant marine engineer whose

technical innovations had revolutionized the Eastern river boat. Having bought Vanderbilt off in New Jersey, the Stevenses could hardly have been pleased when, in the spring of 1832, he began competing with them on the Hudson as well, sending first the *Water Witch* and then his new boat the *Westchester* to Albany, until an outbreak of cholera so deterred people from traveling that he had to withdraw his vessels.

By October 1832 the chief operators on the Hudson had come to realize the disastrous effects of racing and rivalry. Therefore, after a bit of preliminary bickering, they agreed to cease competition and form a monopoly, the Hudson River Steamboat Association, which thereafter ran both day and night boats to Albany and Troy at a fixed fare of three dollars. Each owner managed his own boats independently, but the profits were pooled; when the expenses of all the boats had been deducted, the remainder was divided proportionally. Unlike the original Fulton-Livingston monopoly, this arrangement had no official backing from the state; it was simply a private agreement. Still, throughout 1833 it worked smoothly since fewer boats, each carrying more passengers at a higher rate, meant bigger profits for everyone. Having brought peace and order to the river and a fortune to themselves, the members could sit back and enjoy their snug arrangement.

But not for long. It was later said, and rightly, of Cornelius Vanderbilt that in his younger days he would buck against anyone with wealth and power to divide, and where his newfound ally led the way, Daniel Drew was quick to follow. This time, in attacking the Stevenses and their associates, Vanderbilt probably had a special ax to grind, because in October 1833, while traveling on their Camden & Amboy Railroad, he had almost been killed in an accident, sustaining painful injuries that required months to heal and that would affect him all his life. As for Drew, no such personal animus goaded him; he just wanted a bit of the action. But to get it he would have to be patient, since when Cornele Vanderbilt set his mind to something, it behooved his friends to help him if he asked for it, but otherwise to keep out of the way. While doing so, of course, one could watch Cornele and pick up some pointers.

The assault began quietly in March and April 1834 when the *Westchester*, now sold by Vanderbilt to three men in Connecticut, ran again to Albany as a day boat, charging a fare of two dollars. Although he later denied it, the boat may have been chartered back secretly to Vanderbilt, so he could test the route's profitability and the monopoly's reaction without risk of reprisal on his other routes. Then, in July of that year, Drew entered the picture. Quietly teaming up with the boat's master, Capt. Alanson P. St. John of Connecticut, and with several other men, he arranged to run the *Westchester* to Albany in opposition to the Hudson River Steamboat Association, a venture undertaken certainly with Vanderbilt's knowledge and blessing and probably with his connivance

as well, since Cornelius may have wanted a stalking-horse again. Running to Albany three times a week at a fare of two dollars, the *Westchester* soon slashed its fare to one dollar, compelling the association to cut theirs to two.

With the *Westchester* hurting them again, the association members speculated as to who was behind it. That fellow Vanderbilt had owned and operated the boat in the past, surely it was he. They accused him of it to his face, but Vanderbilt denied it. Him? Certainly not. Why, he wanted no contest with anyone! Unconvinced, the monopoly sent the steamboat *Citizen* to compete with Vanderbilt on the Peekskill run, whereupon Vanderbilt reacted with a bang. On August 27, 1834, the *Morning Courier* announced a new People's Line by day to Albany, with a fare of one dollar, consisting of the steamboats *Nimrod* and *Champion*, which Vanderbilt had fetched from the sound. Three days later, on the first page of the *Evening Post*, "C. VanDerbilt" (helped by some clerk, since he was no more literate than Drew) addressed a stirring appeal to the public. Because the "aristocratic" monopoly had "wantonly" attacked him, he explained, in self-defense he had organized an independent line to Albany. The North River belonged to everyone, not just to the monopolists; let the public support him, a lone individual, against this "gigantic combination."

Never had the chords of outraged innocence and lonely heroism been made to vibrate so nobly and adroitly. With this resonant appeal—echoing the rhetoric of President Jackson himself, then at war with another alleged citadel of privilege, the Bank of the United States—Cornelius Vanderbilt launched a full-scale attack on the monopoly. And the moment he did so, bringing his *Champion* and *Nimrod* to the Hudson, the *Westchester* was whisked away to a minor run to Glen Cove on Long Island Sound, while St. John became the captain of the *Nimrod*, which was a strange coincidence, unless Daniel Drew was working hand in glove with Vanderbilt. All of which, given Vanderbilt's denial of any interest in the *Westchester*—he had even published a sworn affidavit—would seem to make him a liar. (In his later years, when he deemed it to his interest in business, Cornelius not only lied but told whoppers.) And if Drew deftly stepped to one side, it was not out of great love for Cornele, but because Cornele had made him see that, financially or otherwise, to do so was in his own interest.

The remainder of the season was a lively one. Writing in his diary of a trip on the association's boat *Champlain* when it raced the *Nimrod*, Philip Hone, the aristocratic ex-mayor of New York, complained that debarking passengers and their luggage were "pitched ashore like bundles of hay." He would rather, he insisted, spend three or four days en route to Albany on a sloop than "be made to fly in fear and trembling, subject to every sort of discomfort, with my life at the mercy of a set of

fellows whose only object is to drive their competitors off the river.”⁵ Far from being driven off the river, however, by late October Vanderbilt had fetched the *Westchester* back from the sound—he only had to whistle to get it—and teamed it up with his *Union* to establish a daily night line as well. Charging a fare of only fifty cents, he challenged the monopoly both by day and by night, until winter ice put an end to navigation in December.

Bruised by such relentless competition, the “gigantic combination” determined to buy Vanderbilt off, finally agreeing to pay a reported \$100,000 plus \$5,000 annually, in return for which Vanderbilt promised to leave the Hudson for a decade. That the heroic Cornelius’s antimonopolist zeal should deflate so suddenly shows exactly what it was worth. And that the association should pay this astonishing price shows both how profitable the Albany run was, and how desperate they were to be rid of him. Pay it they did, and with Vanderbilt’s energies deflected toward the sound and with the Albany fare restored to three dollars, once again the Hudson River Steamboat Association settled back to enjoy their tidy arrangement.

In mid-March, however, even before navigation had resumed to Albany, their old nemesis was back. The steamboat *Westchester*, under Captain St. John and charging one dollar, announced that it would run as a day boat to Albany or as far as the ice would permit. One can imagine the association’s rage. They had paid a high price to be rid of that damned rascal Vanderbilt. How dare he break his word? But it was not Vanderbilt, it was Drew. Having waited all this time in the wings, now at last he wanted a crack at the monopoly, too. At the end of the previous season, when its Connecticut owners offered the *Westchester* for sale, Drew and several others had bought it in order to launch an opposition line of their own. As the smartest and most aggressive of the group, Drew was the leader from the start. His associates included the boat’s master, St. John, and probably two men from Carmel, New York—Eli Kelley, an enterprising farmer, and James Raymond, a successful menagerie operator who owned real estate in the city. If 1834 had been Vanderbilt’s year to shake up (or shake down) the monopoly, these men were determined that 1835 would be theirs.

It was. Running to Albany at a fare of one dollar three times a week, the *Westchester* proved so successful that by summer the partners had resolved to put on a second boat in order to offer service daily. But in New York City, probably because of the monopoly’s heavy hand, there was no boat to be had. They consulted Vanderbilt. “The *Emerald* is running from Philadelphia to Wilmington,” he told them, “you can buy her.”⁶ An old boat recently rebuilt, the *Emerald* belonged to a former partner of Vanderbilt’s on the Delaware. Drew hastened to Philadelphia in July, bought the *Emerald* for twenty-six thousand dollars, enrolled it

with himself as owner, and brought it back to New York. With antimonopolism still radiating fiercely from the White House, Drew and his partners adopted the name of the People's Line—so American, so democratic—which had not originated with Vanderbilt, but had been used earlier by others in New Jersey. Under this name, the new line was announced in the *Commercial Advertiser* of July 21, 1835. The announcement lacked the fanfare of Vanderbilt's just one year before, but behind it lay a cool determination: Daniel Drew had come to the Hudson to stay.

Over the months and years that followed, Drew and the monopoly fought it out through the bitterest of rate wars. All up and down the river, runners selling tickets solicited travelers boisterously on the piers, praising their employer's steamboats while decrying those of the rival line, whose boilers, they liked to tell nervous ladies, were anything but safe. Yet when a steamboat approached, no passenger at an intermediate point dared assume there would be contact between the vessel and the landing, or even between the vessel and himself. If the boat was racing it often shot right past, or failing that, executed a "landing on the fly." This was a maneuver whereby it lowered a small boat that, joined to it by a rope, was propelled by the vessel's momentum to the dock, where the boat hastily discharged and took on passengers, then was drawn back alongside the steamboat by a windlass on the steamboat's deck, the vessel having lost little time in the process. Quite legally, fly landings were performed even at night, at considerable risk to the passengers.

Like most steamboat owners, Drew probably condoned such practices, just as he condoned the racing that was in his captains' blood. After all, the first boat to the landing got the passengers. With this in mind, in August 1836 he put a new boat on the Albany run, the *Rochester*, which he and Eli Kelley had had specially built in order to eclipse all other boats on the river. Repeatedly it raced the association's new boat *Swallow* in contests that aroused keen excitement. The rivalry was climaxed by a special nonstop race without passengers on November 8, 1836, which the *Rochester* won by five minutes, a victory whose legitimacy the *Swallow's* backers heatedly denied. Never had there been such intense competition on the river; Drew relished it.

But the Hudson River Steamboat Association did not. Basically, what its members wanted most were profits, peace, and stability, whereas this venturesome cattle drover yearned for a fight and excitement. He had sunk his teeth deep in their hide, and there seemed no way to make him let go. Or was there? Warily, desperately, they swallowed their pride and invited him to join the association, whose profits he would then share proportionally. But would this arch antimonopolist, who had named his line the People's Line, forsake his principles for money? Absolutely. When the price they named was right, he was delighted to

pocket their money and put the rate back up to three dollars. While the public complained but resigned itself, Drew gloated. A steamboat upstart from nowhere, he had forced himself on the mighty and now was one of them.

What did it cost the association to maintain the three-dollar fare? In its issue of May 3, 1839, James Gordon Bennett's *New York Herald* tried to get at the truth. If numerous steamboats lay idle at the wharves and their captains lounged about the city contentedly, while the monopoly ran only a few of its own boats to Albany, overcrowded and ill-served, at three dollars a head, it was because of massive payoffs. These allegedly included a bonus of \$100,000 to Vanderbilt plus \$5,000 annually; \$50,000 to the People's Line plus \$10,000 annually; and other sums to other boats, totaling in all \$250,000 in bonuses plus \$50,000 in yearly payments. These figures indicate how immensely profitable an undisturbed monopoly could be. Of course the People's Line had not suspended operations, but the sums cited may indicate the price exacted, at a given time, for "limiting" its efforts.

Having let him join the club and having bribed him, the association members naturally assumed that they had got rid of Drew at last. This was naive: one never got rid of Daniel Drew. A story was later told how Drew, having joined the monopoly, put an opposition boat on the route under the alleged ownership of the captain's brother. At a meeting, the association decided to buy the boat off and sent Drew to deal with the owner. Drew walked around the block, then came back and reported that the owner's price was \$8,000. The others agreed, so Drew walked around the block once again and returned to announce the offer had been taken. He pocketed the \$8,000 and his colleagues were never the wiser. It is a good story, unverified but not implausible. One thing is clear: when you bought Vanderbilt off, he stayed off, but with Drew, you could never be certain.

Purchases, alliances, payoffs—nothing had availed the Hudson River Steamboat Association in its attempt to eliminate or control competition. By the late 1830s the association was beginning to disintegrate, whereas Daniel Drew, running the *Rochester* and the new *Utica* to Albany with a connecting boat to Troy, was getting stronger and more self-confident. In point of fact, the association members were neither rich, smart, bold, nor mean enough to dominate the river. If in the decade that followed, when rivalry on the Hudson achieved climactic intensity, Drew emerged from the struggle triumphant, and in the process revolutionized Hudson River steamboating, it was because he had allied himself with one of the shrewdest, toughest men on the river: Isaac Newton.

CHAPTER 5



Top Dog on the River

A native of Rensselaer County, New York, just across the Hudson from Albany, Isaac Newton had been named for the great English physicist but ever since the age of thirteen, when he had witnessed the first trip of Fulton's *Clermont* up the river, he had shown a marked interest not in physics but in steamboats. Newton began his career as a sloop captain, but in 1826, seeing the opportunities created by the completion of the Erie Canal, he joined with others to form the first company operating steam towboats on the Hudson, and within a year's time he established himself in New York City as the agent of the Albany and New York Line of Towboats. A gifted ship designer, he supervised the construction of dozens of sloops and barges and then of passenger steamboats, which by the late 1830s were his chief concern. By then, too, in recognition of his mounting reputation, he had been admitted to the Hudson River Steamboat Association.

As an experienced river man Newton was smart, practical, opinionated, and aggressive. In the spring of 1840 the opposition boat *Napoleon*, a small, ill-furnished vessel skippered by its pugnacious owner, Joseph W. Hancox, challenged Drew's line and the association on the Albany run, forcing the rate down to one dollar. The struggle engendered much bitterness, with mutual charges of berth stealing and harassment. Hancox flooded the papers with antimonopolist tirades, and in moments of confrontation on the waterfront, he flourished a pistol. Hancox was that rarest of independents, a man who could not be bought off. So Newton, as part owner of the association's boat *De Witt Clinton*, proposed a practical demonstration of the simplest way to eliminate a rival.

Late on the afternoon of Saturday, June 13—within full view of spectators who lined the waterfront, drawn there by rumors of an impending incident—Isaac Newton watched and waited as the *Napoleon*, laden with passengers, left its dock and headed up the river. Then, when Hancox's boat came abreast of the *De Witt Clinton's* berth, Newton had the *De Witt Clinton*, its steam up, break away from the dock and head straight for the other boat. Hancox signaled the *De Witt Clinton* frantically and when it still bore down, whipped out his revolver and fired three shots at the other boat's pilothouse, hitting no one but forcing the pilot to duck. Moments later the *De Witt Clinton* rammed the *Napoleon* aft of the pilothouse, causing it to careen violently amid the screams of passengers, after which the *Napoleon* righted itself and continued on its way. Had the 500-ton *De Witt Clinton* struck its 179-ton rival square amidships as it had evidently intended, the *Napoleon* would surely have sunk. Yet it was not the *De Witt Clinton's* captain who was arrested in Albany, but Hancox, on a warrant sworn out by the association. Pleading self-defense in the shooting, Hancox was exonerated in triumph, following which he slashed his fare to fifty cents and continued the war in the newspapers. At the time of the collision, Isaac Newton had been standing on the *De Witt Clinton's* forward deck, no doubt to oversee the operation.

Presumably it was Newton's ability to design ships, not demolish them, that led Drew to pick him as a partner. In 1840 Newton had built for himself and some associates the steamboat *North America*. Like its consort *South America*, built by him and Drew in the following year, it was an immediate success on the river. These vessels burned anthracite coal, an improvement long contemplated by operators but never before successfully applied. Hitherto, steamboats had depended for fuel on bulky and increasingly expensive pine wood, which on long runs had to be stacked on the deck, giving the departing vessel the appearance of a floating lumberyard. Freed of this burden, the Eastern river boat rapidly evolved further in size and speed, affording the public more comfort and the owners more profits. Just in time to preside over these new developments together, in the winter of 1840-41 Drew and Newton effected their alliance. It was a shrewd move for each of them because Drew was an astute money manager and Newton a brilliant ship designer; their talents meshed.

First announced in the *Commercial Advertiser* of February 25, 1841, the expanded People's Line declared its vessels unmatched in the world for speed and elegance—no idle claim, given the reputation of the *North America*, *South America*, and *Rochester*, all of which became renowned as racers. Joined by the new *Knickerbocker* in 1843, over the next few years these vessels ran as day boats or night boats to Albany in a lively

drama that recurred with variations each year. First, in late February, March, or early April, there was the breakthrough to Albany, a task for the sturdiest and not the swiftest vessels, since the ice could close up again and trap the first venturers, or sink them outright, or in its dissolution carry them off downriver with pier ends and warehouses and spans of bridges on a rushing flood. Next, with the river free of ice, came a rising tempo of traffic, with the fare plummeting to fifty or twenty-five cents or a shilling if opposition boats appeared and returning to three dollars if they withdrew. Throughout the summer, a heavy schedule of both day and night boats carried hordes of travelers and excursionists, till in the autumn, slackening crowds meant fewer day boats. Finally, there were the meager schedules of December, with the last boats bumping their way through the ice, finally landing passengers at points below Albany with stage or sleigh connections, until the entire channel was blocked for the season.

Then followed the time for maintenance and refurbishing (always of great concern to the People's Line), for selling off or demoting old boats to secondary runs and later, under different owners, to the towing of canal boats, coal barges, and cattle boats. Winter was a time too for designing and acquiring better vessels, for hatching new plans, new schemes, and new alignments in a business that each year got more crowded and competitive.

The alliance of Drew and Newton was the final blow to the old Hudson River Steamboat Association, which in the early 1840s broke up at last, some members withdrawing from the Albany run or from the Hudson altogether (the Stevenses retired to the Delaware), while others allied themselves with the People's Line. Drew and Newton were now top dog on the river, and many owners flocked to join them. Their triumphant People's Line acquired new prestige and resources when on July 1, 1843, Drew, Newton, Kelley, St. John, Vanderbilt, and eighteen others organized a joint stock company named the People's Line Association to carry passengers and freight between New York, Albany, and Troy. Capitalized at \$360,000, the company had its nine boats and other assets divided into 360 shares at one thousand dollars each, of which Drew and Newton were the largest holders. Three trustees and five directors were to be elected annually, the trustees to manage the company's daily affairs and declare dividends, and the directors to meet monthly to examine its operations and acquire or dispose of vessels as necessary. The agreement was to run until January 1, 1849, at which time the association, unless a majority interest voted to continue it, was to be dissolved, its boats and property sold at public auction, and the proceeds divided proportionately among the shareholders.

This new organization of the People's Line suited Drew and Newton

to a T. Never before had they controlled such abundant resources, both money and boats. At the same time they eliminated potential rivals, since now it would be against their own interest for shareholders to compete with Drew and Newton on the river. And since nobody was as inventive as Newton at the drawing board, as deft as Drew with money, or as decisive as the two of them in action, they ran the whole operation from the start. Reelected year after year as two of the three trustees and five directors, they made the decisions, negotiated deals, secured alliances, and invariably got what they wanted from their fellow managers and the stockholders. And as the People's Line prospered, still more operators became allied with it. First, it was joined by the Troy and New York Steamboat Association, which had once been allied with the old monopoly. Then, in 1845, many steamboat men from Albany bought into the association directly, most of them acquiring stock from Drew, who in selling it relinquished personal control of the company, a move that he would later regret.

Having supplanted the old association on the river, Drew found himself, with Newton, decried in turn as a monopolist and as such plagued by opposition boats. Some of these could be readily bought off and others not, these last being operated by such perennial upstarts as Hancox. In coping with rivals, however, Drew and Newton fared better than the old monopoly, whom they far surpassed in stamina, money, and initiative. It was an age of capitalism in the raw, of free-for-all free enterprise with only a hint of regulation. Having plenty of boats and capital in reserve, Drew and Newton could counter each opposition vessel with one of their own, offering the same schedule and fare. Furious rate wars resulted, with fares at times fluctuating daily to the vast confusion of the public who, when expecting Tuesday's fare of fifty cents, might find on Wednesday, when no rival boat was running, that they had to pay a dollar. On one occasion the opposition vessel *Belle*, finding her berth stolen by a boat of the People's Line, retaliated by carrying passengers to Albany free, a response that not even Drew and Newton could top.

Racing too continued unabated, even after the loss of the *Swallow*, then two-thirds owned by the People's Line, when it ran aground in 1845 while contending with two other boats and sank with a loss of fifteen lives. Certain owners played the game for all it was worth, staging special contests like that of June 1, 1847, when Vanderbilt pitted his luxurious new *C. Vanderbilt* against the speedy *Oregon* of his pugnacious rival George Law, a canal construction contractor turned banker and railroad man, who was branching out into steamboats as well. During the race on the Hudson, Vanderbilt in his excitement seized the wheel from the pilot and mismaneuvered his vessel, while Law, out of fuel, hurled furniture and costly fittings into the furnaces and so sailed on to win.

Such passion was beyond Daniel Drew, who first and foremost was a

schemer, a calculator. He never knew the gut feeling of a river man, the skipper's fervent identification with his vessel, his assurance that it was the best damn boat on the river and he'd race anyone fool enough to doubt it. One cannot imagine Drew planting himself on a forward deck just prior to a planned collision. As for hurling sofas into a furnace during a race, why good heavens, those things cost money!

But if Drew himself never raced, his captains did, and with risk. During many seasons vessels of the People's Line had to be withdrawn for repairs, following machinery breakdowns and damage to their hulls from collisions. Such casualties were inevitable, for the racing urge impelled captains to leave before their scheduled departures, to skip landings, to subject passengers to "fly" landings, and to keep a supply of fireworks handy in order to blazon every victory in the sky. At the same time pilots crowded rivals onto shoals, and engineers, to force the last ounce of speed from their engines, tied down safety valves and plugged steam gauges, so that they had no idea what pressure their panting boilers carried, and the lives of all were endangered.

What did Drew reply when protesting letters appeared in the newspapers and when editorialists decried these practices? Nothing: he was just the money man. And what did Newton reply? Surely, that the People's Line boats were the best and therefore the safest on the river (true enough); that the line had never lost a passenger to date (also true); and that it considered safety a prime concern, although it was also aware that its patrons wanted to reach their destination fast. All of this the captains knew how to interpret. Discreetly then, like most owners, Drew and Newton winked at a lot. After all, if you could not buy a rival boat or its owner, or charter it and send it to the Delaware—policies on which they routinely spent vast sums—little remained but to steal its berth and its passengers, to race it, to crowd it, and to smash it. Having muscled their way to the top of the heap, they were not about to be pushed off again like that poor old tired association. So let their enemies watch out.

Yet there were defter ways to compete, and they knew it. Since freight on the Hudson was still relegated to sloops and towboats, it was passengers they needed to attract. From the very start, Hudson River steamboats had done this through luxurious appointments that foreign visitors had never failed to praise. Although Drew and Newton were country boys who had evolved by way of the freight barge and the cattle yard, they grasped how the key to success in Hudson River steamboating was luxury; how, rivaling their lust for speed, nothing so possessed their democratic countrymen as the longing for regal elegance—the craving of egalitarian, homespun America for palatial opulence such as few citizens could afford in their private lives, but that they might hire briefly

for the price of a hotel room ("palace" hotels were becoming all the rage) or of a steamboat ticket. Very well, then, if the public wanted luxury, luxury they would have, with a vengeance. To achieve it, in the mid-1840s the managers of the People's Line undertook to construct a series of vessels that would truly merit the already hackneyed term *floating palace* like no previous craft. To this end they marshaled the skills and resources of the superb East River and Brooklyn shipyards for the hulls, the great iron works of the metropolis for the engines, and for the rest, the massed talents of the carpenters, plumbers, painters, gas fitters, upholsterers, furniture and glass makers, and provisioners—not to mention journalists—of New York City.

In October 1845 they opened the first of these marvels to the press and public, the mammoth *Hendrik Hudson*, officially enrolled at 330 feet in length and 1,186 tons.¹ A night boat, this new giant was advertised as having berths for 620 people and other accommodations for 2,000. (This latter was a fanciful figure, since practitioners of go-ahead were not above inflating their statistics.) When the public flocked aboard to inspect it, a *Tribune* reporter, surveying the illuminated interior with its grand saloons flanked by staterooms, likened it to Cleopatra's royal yacht at night. As the new vessel began running to Albany amid unstinted admiration, her creators could well believe they had achieved the ultimate in steamboat construction.

The ultimate, that is, for 1845. Exactly one year later, in October 1846, their second giant lay moored at the end of Liberty Street, ready for inspection. The *Isaac Newton*, registered at 322 feet (they told the newspapers 340) and 1,332 tons, had the biggest engine ever built in America, with a piston stroke of 12 feet. Although Newton had originally designed it as a day boat, Drew had objected that the summer season was too short to operate so costly a vessel. Obstinate, Newton had stuck to his plans but, as construction progressed, realized that Drew was right and therefore altered the design, finishing it as a night boat with berths for 500 and accommodations (again, as advertised) for a not wholly credible 2,000.

On October 9, 1846, when the *Isaac Newton* left its dock and headed up the river, besides six hundred passengers it carried a hundred invited guests—dignitaries, merchants, journalists—whom Newton and Drew hosted personally at a splendid supper that included turkey, chicken, woodcock, and snipe. Riding smoothly but swiftly, above West Point the vessel caught up with the smaller *Empire* and passed her, whereupon the crew fired rockets and the passengers cheered. The celebration was premature, however, since the *Empire* then regained her lead and held it all the way to Albany. Well, the People's Line managers explained, on this first trip they were not really trying to make time. Besides, the *Isaac*

Newton had been supplied, inadvertently, with the wrong kind of fuel. Genially they waved their guests on to a closer scrutiny of the interior: the white and gold ladies' saloon with curtains of French satin damask; the main or upper-deck saloon with a stained-glass dome overhead; and the superb staterooms, including one with a bed in the form of a chariot and another, the Bridal Room, with carpeting said to be from the drawing room of King Louis-Philippe of France, and over the bed a painted altarpiece featuring a cupid holding two doves over an altar, which a spellbound *Tribune* journalist hailed as "one of the most splendid achievements of taste."²

Could such taste be topped, such magnificence exceeded? In the go-ahead age, if one had eclipsed all others, what remained but to eclipse oneself? In June 1849 the day boat *New World* appeared. Her stated overall length of 382 feet caused her to be hailed as the longest and largest river steamboat ever built, and her engine's enormous piston stroke of 15 feet would for a river boat never be equaled. Visitors treading deliciously on thick carpets were invited to take note of satin damask chairs, marble tables from Italy, Corinthian pillars, and real oil paintings on the walls; to marvel at how steam from the engines was made to pass beneath the pantry stands, so that all the dishes would reach the table piping hot; and to applaud the new arrangement whereby passengers would be served at small tables on the European plan, each party ordering separately, and not at the long tables where diners had hitherto been obliged to feed together. (On the line's night boats, also in imitation of the European style, private staterooms now replaced the communal sleeping saloons that had previously accommodated gentlemen on one deck and ladies on another.)

The *New World* was a stunning success, a "magnificent aquatic movable hotel," proclaimed the *Tribune*. On its first trip up the river on June 12 it was saluted on land and water the full length of its run, and then greeted in Albany by twenty thousand people thronging boats and wharves, who waved handkerchiefs and cheered while bells tolled and cannon boomed. For his improvements in steamboats, prophesied the *Herald*, Isaac Newton's fame would equal that of the great scientist whose name he bore.

Such were the plaudits garnered by the two masterminds of the People's Line for having given Everyman his palace, marrying Old World elegance to New World ingenuity in an ornate mishmash of styles. To experience these wonders, the paying public flocked aboard the "aquatic movable hotels" of the People's Line eight hundred, nine hundred, or a thousand at a time, until on September 4, 1850, when a state fair was luring unprecedented multitudes to Albany, the giant *New World* on a single trip broke all records by carrying an astonishing twelve hundred

passengers. Grandiose was the vision, abundant the recompense—the profits of the People's Line soared.

But not the dividends. So costly had been the new boats' construction that since September 1844 not a penny had been paid to the shareholders. Indeed, by September 1845 the company, burdened with the building costs of the just completed *Hendrik Hudson* and the unfinished *Isaac Newton*, was close to a financial crisis, resolved only through a loan from Cornelius Vanderbilt, who imposed the condition that the company buy back his stock. Thereafter, however, with the *Hendrik Hudson* and the *Isaac Newton* in service, bringing in ample earnings, there was still no hint of dividends.

All of which must have struck Abraham Van Santvoord of Albany, a veteran of the Hudson River shipping and freighting business, as one hell of a way to run a company. Van Santvoord was president of the Hudson River Steamboat Company, which operated steam towboats on the river and itself paid a regular dividend. On behalf of his company, in 1845 he bought stock in the People's Line and a one-fourth interest in the *Hendrik Hudson*. By late 1847, however, he and his son Alfred, another People's Line shareholder, had become disenchanted with Drew and Newton's management. Alfred began urging other shareholders from Albany to leave the People's Line and join with him in a new line based in their own city. In early 1848 Abraham Van Santvoord, in the name of the Hudson River Steamboat Company, brought suit against the People's Line stockholders, charging that Drew and Newton, in purchasing George Law's *Oregon* for the association and converting the *Hendrik Hudson* to a day boat, had acted illegally and against his company's interest, for which two actions he demanded compensation.

Van Santvoord's lawsuit marked the beginning of dissension within the People's Line. Although the other Albanians did not rally behind the Van Santvoords, some among them—and other shareholders, too—began to wonder if the People's Line was not being run by two smart operators far more adept at lining their own pockets than at passing along profits to others. After all, these malcontents pointed out in private and in public, no dividends had been declared in over three years. Certainly not, Newton and Drew explained, for the company had always lacked the necessary nine thousand dollars surplus, as stipulated in the articles of association. Was the company then mismanaged? Not at all, the two trustees insisted: to date, it had earned over \$300,000, which the managers had wisely plowed back into the business, to build and buy boats. So had the value of the company's property increased? Absolutely. To how much? Well, about \$600,000.

To a small shareholder beginning to get suspicious of the management and starved for dividends, \$600,000—or more, perhaps much

more, since some claimed that the figure was grossly understated—sounded like a very big pie to divvy up. And if a majority interest should not vote to continue the company after its expiration date of January 1, 1849, divvying up the pie was exactly what the articles of association called for.

Drew and Newton liked the People's Line just the way it was, docile to their own good management and affording them the means to beat out competition on the river. On the other hand, a sale of the assets at public auction might bring only a fraction of their value, with the added risk that some of the finest boats on the Hudson might pass into other hands. In their view, consequently, divvying up the pie was unthinkable. However, the growing shareholder revolt caught them by surprise. In a rare lapse of judgment, Drew had sold much of his stock to the Albanians, so that he and Newton together still fell far short of controlling the company. Obviously, decisive action was called for. Rallying their allies at the annual meeting in New York on November 1, 1848, they got themselves reelected managers and had a resolution passed by a majority to continue the association for another year.

But the dissidents refused to knuckle under. Continuing their protests, they won over other stockholders and caused further meetings to be held, at which various resolutions failed for want of a majority. Finally, at a meeting on January 2, 1849, Drew, Newton, and their ally Eli Kelley came richly armed with powers of attorney and proxies—many of them contested—from absent stockholders and so obtained a vote for continuance of 224 ayes (just slightly more than a majority) versus 97 noes. Over the protests of certain members, Newton and Drew declared the matter settled and prepared for another year of operations.

But the matter was not settled, not by a long shot. On February 6, 1849, Drew was served with a summons to appear before the State Supreme Court in Albany to answer the complaint of one George Monteath, plaintiff. Also named in the summons and complaint were Newton and thirty-three other defendants, all the stockholders of the People's Line but one. The attached complaint—six very long pages of very small print—alleged that Drew and Newton had repeatedly assumed the authority of all three trustees of the company and all five directors; that they had failed to make monthly accountings or to declare dividends, so that the shareholders received nothing from the property; that in numerous transactions they had systematically defrauded the company; that although the People's Line Association had expired on January 1, 1849, they had refused to let go of its property; and more. The plaintiff, as a stockholder in the association, asked the court to name a receiver to take possession of all property of the People's Line and divide its assets among the shareholders according to their rights and interests.

Drew of course remembered George Monteath. He was a seventy-

one-year-old Scottish-born Albanian who had begun his long career on the Hudson as a master and owner of sloops and had subsequently acquired a fortune as an operator of steam towboats. Along with twenty other Albanians, he had bought People's Line stock from Drew in 1845, and like many of them he had since become disillusioned with the company. Upon failing to meet a promissory note payment, Monteath had forfeited his ten shares to Drew. Through his lawyer, on January 2 Monteath had protested against the association's vote for continuance, calling it improper and illegal. Of all the dissidents it was he and he alone who had brought the action, which marked him as a determined loner, cantankerous, aggrieved, and perverse.

Clearly, the year 1849—distinguished otherwise by the appearance of the dazzling *New World* (happily, owned by Newton and not by the People's Line)—boded ill for Newton and Drew. Moreover, on February 2, the same day that Monteath signed his complaint, the Hudson River Steamboat Company, whose case against the People's Line was still in progress, asked the court to enjoin Drew, Newton, and the other "assumed" officers from using the association's boats and to name a receiver not in Monteath's case but its own, which, so Van Santvoord argued, was entitled to preference.

A fine legal donnybrook followed as Drew and Newton answered Monteath; as Van Santvoord, a defendant in Monteath's case, answered Monteath; and as Monteath, a defendant in Van Santvoord's case, answered Van Santvoord. Drew and Newton countered Monteath's charges point by point, insisting that their actions as managers had been entirely authorized and proper; that they had misappropriated no funds whatsoever, but on the contrary often used their own money in the company's behalf; that a majority of shareholders had voted twice for continuation, so that the association still existed; and that the appointment of a receiver would be destructive to the shareholders' interests.

Regarding the company's continued existence, however, the decision of the Supreme Court in Albany was prompt and unequivocal: the People's Line Association had expired of its own limitation on January 1, 1849, in consequence of which the court on March 9 named a receiver to take possession of all People's Line property and sell it at a public auction. This was a decision that should have left Drew and Newton reeling, but who was named to this stern function? None other than Eli Kelley, Drew's longtime partner and crony, it having no doubt occurred to the defendants that if there must be a receiver, they might as well have a friendly one. Surprisingly, this was agreeable to the court and the plaintiff. In April, receiver Kelley took possession of all the association's boats and other property, the sale of which, however, was postponed until December 26, 1849, so that it would fall near or after the close of navigation. In the meantime, under court orders the receiver operated

the association's boats, so that the public remained unaffected. When the case came up on June 16, it was referred to a referee, before whom both this suit and the one brought by the Hudson River Steamboat Company were subsequently argued.

These proceedings were still under way when at noon of December 26, in the high-domed Merchants' Exchange on Wall Street, the entire property of the association was auctioned off, including seven steamboats, three-fourths interest in an eighth steamboat, one-half interest in three others, two barges, plus canal boats and scows; securities, unexpired leases, office fixtures, groceries, pig iron, and lumber; and the contents of two coal yards, including coal, fences, scales, tubs, and barrows. It was surely the greatest sale of a steamboat company's assets that the nation had ever seen, the whole of it bringing not \$600,000 but, as the embattled managers had warned, just slightly over \$330,000. For Drew and Newton, seemingly the worst had come to pass, since their beloved People's Line had been extinguished. Their toil of five years appeared to have been frustrated, and their dominance of the river wiped out.

But anyone who believed this even for a minute hardly knew the gentlemen in question. First of all, the sale was administered by a congenial receiver. Furthermore, only a few buyers turned up, prominent among them Drew himself, who on his and Newton's behalf bought the steamboats *Isaac Newton*, *Oregon*, *Columbia*, and *New Jersey*; a three-fourths interest in the *Hendrik Hudson*; a half interest in the Troy Line boats *Empire*, *Troy*, and *John Mason*; most of the association's coal; and stock in another line at half of par value. Only three steamboats escaped him. The *South America* and *Rochester* were purchased by Capt. William B. Dodge of New York, who operated a freight and passenger line between New York City and Rondout on the Hudson, while the *North America* was acquired by Alfred Van Santvoord. Moreover, not only did Drew get the lion's share, but he got it cheap. For the splendid *Isaac Newton*, built for \$180,000, for instance, he paid only \$127,000, and for the *Oregon*, bought by the People's Line from George Law for \$100,000, only \$36,000. "To them that have, shall be given, and from them that have not, shall be taken, even that which they have," observed the *Evening Post*, seeing in the whole transaction the cynical game of the steamboat sale forced upon such terms that only the largest stockholders could protect themselves.³

In snapping up bargains, furthermore, Drew and his partner had been not only nimble but cagey. When the *South America* and *Rochester* were enrolled a few days later at the Custom House, the owner proved to be not Capt. William B. Dodge but Daniel Drew, who, taking no chances, had employed Dodge as his agent at the auction. So only one boat really eluded Drew and Newton, the aging *North America*, purchased by Alfred Van Santvoord. Yet even this transaction may well have

been sanctioned in advance, since on December 27, just one day after the sale, Drew settled with Abraham Van Santvoord, his father, buying up his company's shares in the association and its one-fourth interest in the *Hendrik Hudson* for \$42,000, following which Van Santvoord dropped his case against the People's Line. So no one need weep for Drew and Newton, who acquired in their own name, and cheap, all but one of the company's boats, which they continued to operate. The joint stock company known as the People's Line Association was dead, but the People's Line went on.

As did the litigation. Its complexities were further compounded when Elijah Peck of Flushing, the third trustee of the People's Line, petitioned the court to become a co-plaintiff with George Monteath, whose charges he claimed he could prove. While receiver Kelley settled the association's debts and periodically disbursed the proceeds of the sale to the shareholders, the case dragged on, its affidavits and petitions teeming, its files thickening. At long last the referee submitted his report, following which the court announced its decision on March 18, 1851. The People's Line Association had indeed expired on January 1, 1849, but the trustees were deemed to have fully accounted for all of its property, nor had any fraud, misconduct, or bad faith been proved against Newton and Drew.

So ended the tangled case of *George Monteath v. Isaac Newton, Daniel Drew, and others*. George Monteath savored the satisfaction of having forced the breakup of the biggest steamboat company on the Hudson; yet for all that, having forfeited his shares to Drew, he was not one whit the richer, although his lawyer was. Rudely inconvenienced, Drew and Newton had maneuvered defeat into victory, salvaging their good name and their boats. The minority stockholders of the association received their share of the company's assets, sold for a little more than half their estimated worth, which even so left them better off than the minority stockholders of the *Water Witch* some twenty years before. All of which meant little to the public, since throughout the litigation and afterward, the gilt and damask palaces of the People's Line plied between New York and Albany as smoothly and profitably as ever. Not even a maze of lawsuits and the sale of their boats out from under them could dislodge Drew and Newton. Tough and foxy, their vessels sumptuous and their purses fat, they were still top dog on the river.



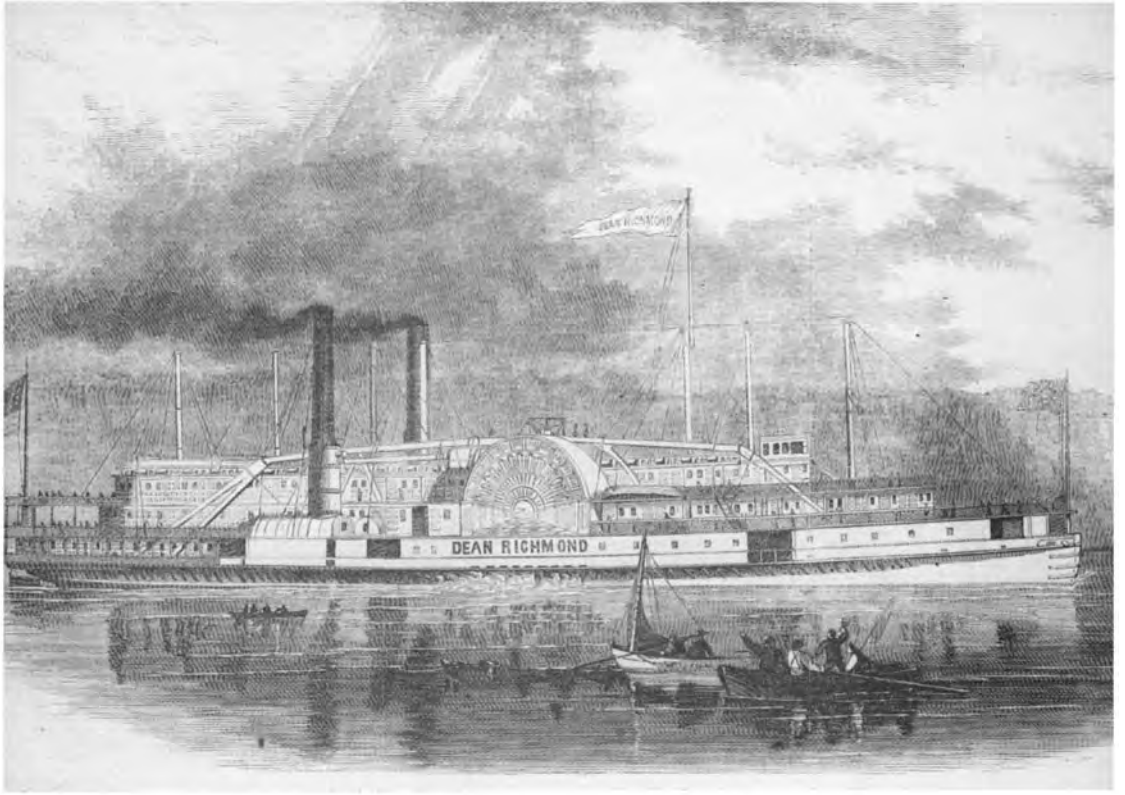
Pouring hotshot into Satan's ranks: an outdoor revival meeting of the 1820s.
From an 1829 print in the Library of Congress.



Roxanna Mead Drew,
from a portrait of the
1860s. Drew University
Library.

The new Bull's Head Tavern at Third Avenue and Twenty-fourth Street. From Samuel Hollyer, *Old New York: Views by S. Hollyer*, 1909. U.S. History, Local History and Genealogy Division, the New York Public Library, Astor, Lenox, and Tilden Foundations.





Above, the new *Dean Richmond* passing the Jersey Palisades. From *Frank Leslie's Illustrated Newspaper*, August 12, 1865. Below, the two-tiered grand saloon of the *Drew*: splendor that no railroad could match. From Benson J. Lossing, *The American Centenary*, 1876. Jersey City Public Library.





Above, Cornelius Vanderbilt in the 1860s. Drew admired him greatly and cheated him vastly. Below, Wall Street in the 1850s, looking east. The massive building with columns in the background is the Merchants' Exchange. From William Thompson Bonner, *New York, the World's Metropolis, 1623/4-1923/4, 1924*. Jersey City Public Library.



Right, Daniel Drew in the 1850s. From Wheaton J. Lane, *Commodore Vanderbilt: An Epic of the Steam Age*, © Alfred A. Knopf, Inc., 1942. Used with permission of the publisher.



Below, Jim Fisk (left) and Jay Gould (center) plan the 1869 corner in gold. At the right is Fisk's broker, William Belden. From W.W. Fowler, *Ten Years in Wall Street*, 1870. General Research Division, the New York Public Library, Astor, Lenox, and Tilden Foundations.





A March 1872 gamble that was the talk of the Street. Above, Drew contracts to deliver 50,000 Erie at 55. Below, Erie speculators check the ticker tape at Delmonico's in Broad Street during lunchtime. Both from *Frank Leslie's Illustrated Newspaper*, April 13, 1872. General Research Division, the New York Public Library, Astor, Lenox, and Tilden Foundations.





The *Daily Graphic* of April 3, 1873, thought Uncle Daniel must be hard up for money to finance his seminary, since his Wabash pool had ended with a loss. But it was the pool that had a loss, not Drew. Drew University Library.

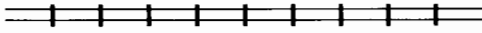


Mead Hall at Drew Theological Seminary in Madison, New Jersey. The seminary's rustic tranquility was shattered by the founder's bankruptcy. Drew University Library.



The Clift farm near Brewster in Putnam County, New York. Here Drew recovered his physical but not financial health. From F.W. Beers, *Atlas of New York and Vicinity*, 1867.

CHAPTER 6



Wall Street

“I had been wonderfully blessed in moneymaking,” said Daniel Drew later of his career. “I got to be a millionaire afore I know’d it, hardly.”¹ In boosting his fortune to the million dollar mark, steamboats and cattle helped, but it was Wall Street that accomplished it. By the 1840s, when “the Street” became his preferred habitat, it already had its reputation. A *Tribune* journalist of the time hailed it as “the great purse-string of America—the key of the Union,” but spoke as well of “the million deceits and degradations and hypocrisies and miseries played off there as in some ghostly farce,” likening it to the valley of riches described by Sindbad the Sailor, “where millions of diamonds lay glistening like fiery snow, but which was guarded on all sides by poisonous serpents, whose bite was death and whose contact was pollution.”²

Yet the place that inspired such rhetoric from press and pulpit was a simple and rather narrow cobblestoned street that in the early morning, when frequented by dogs and grunting pigs, for stretches still had a distinct small-town air. Beginning on the west at Broadway in front of Trinity, the city’s chief Episcopal church, it ran eastward for less than half a mile to South Street and the anchored sailing vessels of the East River docks. Even in colonial times auctions of merchandise and public subscriptions for loans had been held there out of doors. Its traders had prospered as the craze for canal stocks in the 1820s and for rail stocks in the 1830s attracted vast amounts of both domestic and foreign capital. By the late 1830s Wall Street had at last edged out its rivals, Boston and above all Philadelphia, to become the foremost money center in the country, luring capitalists eager to finance new ventures and all those

with an urge to trade or speculate, to lend or borrow, to manage or mismanage money. That Daniel Drew should have gravitated there is not surprising. As a born money manager with an itch for action, how could he have stayed away?

Yet he came there at a most inauspicious time, close on the heels of the Panic of 1837, a devastating financial collapse that had been brought on by excessive land and cotton speculation and by the proliferation of new banks issuing quantities of worthless paper money. In New York as elsewhere, bankers and merchants failed by the hundreds, and when the banks suspended specie payment, mobs thronged Wall Street and troops had to be called out. Inevitably, stocks plunged, bank note circulation contracted, and foreign money fled back to Europe, while American investors shunned the markets, and a prolonged depression set in.

Hard hit by the panic was the country's currency, which in those days consisted not of uniform bills backed by the federal government, but of notes issued by the local banks of each of the states, subject to the latter's widely differing laws and regulations. Even under normal circumstances, such a system verged on chaos, owing to doubts about the issuers' willingness and ability to redeem their notes in coin. As a result such notes, if accepted at all in regions far removed from the issuing bank, were honored at a discount, the amount of which, fluctuating constantly and varying throughout the country, could be determined only by consulting the bank note tables in the local papers. Thoughtful financiers denounced this system, or lack of system, but it continued unreformed for years. At the height of the panic it collapsed for a while altogether, and bank notes were shunned by everyone. Even after a measure of calm returned, the notes were often viewed with distrust.

For Drew, however, a national catastrophe could be a major opportunity. All around him at the Bull's Head he had seen drovers from distant regions who in their wanderings had accumulated large amounts of uncurrent money, in the form of notes issued by obscure country banks that no one in New York would accept, even though the issuers were not necessarily verging on insolvency. Was there no way, for a price, to help these poor fellows out? By the spring of 1838, just a year after the panic had erupted, Drew joined with Edward B. St. John, a Wall Street banker and broker, to form the partnership of St. John & Drew, with offices at 53 Wall Street. As the junior partner, Drew put up only a small amount of money, but his participation assured the firm's success. Hearing that Dan Drew of the Bull's Head, who had banked for them so often in the past, was buying uncurrent money on Wall Street, cattle drovers flocked to the firm's offices to unload their notes, happy to be rid of them even at a sizable discount. St. John & Drew took in quantities of notes and held them patiently, until at last a chance came to sell them at a profit.

Countless other dealers were doing the same thing, but Drew's contacts with the drovers gave his firm an edge.

For Drew, then, it had been only a short hop from tavern-keeping to banking. Yet all did not go well. Without consulting him, his partner endorsed the extension notes of a friend, which brought the firm a loss of over thirty thousand dollars. Probably this was why the partnership was dissolved on August 30, 1839—this and the fact that, for Drew, it went against the grain to be number two in any operation. He was soon casting about for new partners, however, since not even the nation's worsening depression could keep him out of Wall Street.

Within a few months Drew had established the new banking house of Drew, Robinson & Company, which in late November 1839 moved into a basement office at 40 Wall Street, just opposite the Merchants' Exchange, where it announced that it would buy all kinds of uncurrent bank notes, certificates of deposit, and the like, and make collections in Albany, Buffalo, Detroit, and other places. As senior partner, Drew contributed his experience in banking acquired at the Bull's Head and in Wall Street, as well as most or all of the capital. His partners were Nelson Robinson and Robert Weeks Kelley, both of Putnam County, New York.

Eleven years Drew's junior, Nelson Robinson, of the township of Patterson, was a smart, vigorous self-made man without formal education and somewhat rough of manner. In his younger days he had been a cattle dealer and a speculator in wild beasts for shows. Like Drew, he had also spent some time with a circus, where he performed on horseback elegantly costumed with spangles and drove one of the wagons on the road. Drew knew him from a previous business connection, perhaps one of his Western cattle ventures, and took him as a partner even though he had no capital to contribute. This was a shrewd choice, as soon became apparent.

Drew's other associate, Robert Weeks Kelley, was the eldest son of Eli Kelley of Carmel, Drew's longtime partner in steamboating. Not yet twenty years of age, young Robert probably began as a clerk with the promise of a partnership, which he obtained within a few years. He too may have contributed little or no capital (although perhaps his father did), but he was recommended on another basis. In 1840 he married Drew's widowed daughter Catherine, following which the young couple lived for several years with Drew and his wife in their new home on Bleecker Street. Meanwhile Robert's father Eli Kelley also moved to New York and for a time had an office with the partners on Wall Street, where he worked as a broker but never became a member of the firm.

Six days a week throughout the 1840s, Daniel Drew commuted from his Bleecker Street residence to Wall Street. Sometimes he drove down in a simple one-horse chaise, dressed soberly in black and looking like a

country parson, an appearance that in later years earned him the nickname of the Deacon. Often, however, he probably took a Broadway omnibus, the common public stage of the day, to be jounced downtown over rough cobblestones, getting out close by the soaring spire of Trinity Church, from which he would have headed east down Wall Street past rows of brokerage houses, insurance companies, and banks. There, just across from the dome-topped granite mass of the new Merchants' Exchange, that true symbol of the city's commercial preeminence, was the basement office of Drew, Robinson & Company, in the plain-fronted City Bank building at 40 Wall Street.

Awaiting Drew daily at his office was news to digest, decisions to make, customers to advise or console. Although he retained overall control of the firm, he left the details of the business to his partners, since an ex-drover of scanty education was hardly inclined to the minutiae of paper work. What did fire him up was moneymaking, and with this in mind he determined that Drew, Robinson & Company would also trade in stocks. To this end he got Nelson Robinson elected to the prestigious New York Stock and Exchange Board (as the New York Stock Exchange then called itself), an exclusive body of brokers holding closed sessions in a large hall of the Merchants' Exchange. Thereafter, twice daily Robinson attended the exchange's formal auctions, where the listed stocks were called out in order and seated members leaped to their feet to trade amid a frenzied babble decipherable only to the board's habitués. To this frantic scene the ex-cattleman took like a steer to pasture, becoming a sharp and aggressive trader.

With one of them a member of the Stock Exchange, Drew and his partners crossed the magic line separating "insiders" from "outsiders," that is, separating members of the brokerage community from the general public, who paid them commissions to buy and sell stock on their account. In the 1840s outsiders were conspicuous by their scarcity on Wall Street, since in the aftermath of the Panic of 1837, stricken with sanity, they had stampeded from the market. Of the chastened few who remained, many clung to sound state and federal bonds and to "solids," stable stocks that paid steady dividends, and so did little to enhance their brokers' fortunes. Happily for the latter, however, even the lackluster market of the forties drew speculators who traded heavily in "fancies," the widely fluctuating stocks of troubled companies, which offered ample opportunity for big gains and catastrophic losses.

When Daniel Drew became aware of Wall Street's fancy stocks, it was love at first sight, and the infatuation lasted all his life. Let others marry staid bonds and sober income stocks—he always chased the fancies, which promised excitement, risk, and big money. In their daily fluctuations on the market, the fancies reflected the war between the

“bulls” and the “bears,” those who bought now in expectation of a rise and those who sold short, contracting for future delivery of a stock that they hoped to buy at lower prices later. From the outset Daniel Drew, a down-to-earth fellow who for years had dealt in real cattle that one could see, hear, touch, and smell, was fascinated by the practice of selling short. This was an exercise in unreality whereby a trader, often using money that he did not own, bought pieces of paper that he never took possession of, representing ownership in a company whose property he never saw and of whose operations he might well be ignorant. Such a transaction produced this tangible result: if successful, the transfer of real money out of someone else’s pocket into his own; if unsuccessful, the transfer of the same in reverse. All of this struck Drew and his partner Robinson as the most exciting and challenging of ventures, even though, under a state law not repealed till 1858, short contracts were not legally binding, a technicality that Wall Street cheerfully ignored.

Much, in fact, seemed to get ignored on Wall Street, where in the shadow of their legitimate operations, the financing of public and private enterprises, the professionals made of stock speculation a passionate, subtle, complex game that they pursued with an arsenal of ploys and maneuvers. Using false tips, planted rumors, and fictitious wash sales to inflate or depress a stock as desired, insiders not only routinely fleeced the public but also fleeced each other. The supreme coup—the dream of every Wall Street speculator—was a “corner,” to achieve which a pool of operators secretly bought up the entire floating supply of a stock, so that trapped short sellers would be forced to buy at their prices. This was a maneuver not unfamiliar to Drew who, like Henry Astor before him, had done the same in the cattle market. While corners were difficult and risky to effect, some remarkable examples could be cited, each of which had brought profits and glory to the one side, bankruptcy and ruin to the other. Although in such transactions the contracts were not legally enforceable, by a rule of the Stock Exchange any member who failed in his contracts was suspended. Such failures and suspensions were common, the most hopelessly insolvent of the outcasts seeking refuge in the outdoor curbstone market, the receptacle of the Street’s sorriest casualties and rejects, inveterate gamblers to the end.

Yet there were those who succeeded, and magnificently. Each day on Wall Street, because their offices were only a few doors apart, Drew must have passed a tall, slender, sloping-shouldered man, smooth-faced, careless in his dress, and with a tense, preoccupied look—the Street’s most famous trader, Jacob Little. A money broker since 1822, Little was credited with inventing the short sale, which he had practiced effectively throughout the Panic of 1837 and after, reaping vast profits while others went to ruin. Now at the height of his fame, he lived for one thing only,

the buying and selling of stocks for profit, which he pursued obsessively six or even seven days a week. From this prodigy as from no one else—from this man who by the end of his career was said to have made and lost nine fortunes (an exaggeration—it was only three or four)—Drew could have learned to speculate, and to speculate grandly. Known now as Ursa Major and the Great Bear of Wall Street—titles to which Drew would in time fall heir—Little could impart to one of Drew's temperament any number of invaluable lessons, such as the use of the manipulated short sale, whereby one not only anticipated declines in stocks but engineered them; the technique of working secretly through other brokerage houses so as to mask one's operations; the delicious satisfaction, when cornered, of turning a convertible issue into stock just in time; and a supreme example of how to ignore the tumult of the Street, keep one's own counsel, and prosper.

Drew of course was prospering already. Under his general direction, within a few short years Drew, Robinson & Company became one of the major houses on the Street, transacting a very large business. Thanks to Drew's judgment and Robinson's abilities as a trader, the firm was consistently successful—remarkably so, given its heavy dealings in the most notorious fancies of all, the volatile stocks of mismanaged railroads. By Drew's own account, no large operation of the firm ever proved a mistake except one, a loan of nearly one million dollars that, contrary to his advice, was made to a trust company in 1846. Yet even this was no disaster, since the securities for the loan, including a mortgage on a Western railroad, were so well managed that years later he anticipated no ultimate loss. Thus when a self-proclaimed "reformed stock gambler" named William Armstrong published a book on Wall Street in 1848, he ranged the firm among the Street's leading houses and conferred on it his ultimate in praise: "Never compromised." Yet his estimate of its worth at over one million dollars was certainly short of the mark.

Guessing the wealth of one's neighbors, however inaccurately, was a favorite pastime—one might say an obsession—of the day. In New York in the 1840s and early 1850s, the most popular tabulation was a pamphlet entitled *Wealth and Biography of the Wealthy Citizens of New York City*, put out by Moses Yale Beach, the publisher of the *New York Sun*. It was an annotated roster of all persons with an estimated wealth of \$100,000 or more that went through thirteen editions. Drew and his two partners were included, their wealth estimated, inconsistently from one edition to another, at between \$100,000 and \$300,000 each. Also mentioned were Jacob Little, Eli Kelley, Isaac Newton, and Vanderbilt. Credited with over one million dollars, the Commodore—as Vanderbilt now delighted to be called—rated an ever lengthening commentary that praised his energy and "go-aheaditiveness," while Drew was summarized

as “a shrewd, keen money-making man.” Yet the front runner by far in the American money race was the aging fur and real estate magnate John Jacob Astor, appraised successively at between fourteen and twenty-five million dollars. He was the richest man in America and also, if reports were true, the stingiest.

By the 1840s the hustling businessmen of New York had renounced fastidious midday dining at home. Instead, they hazarded a quick descent into the steamy atmosphere and clatter of a downtown eating house—a phenomenon that appalled out-of-towners—where at no small gastric peril scores of patrons bolted stringy meats and insipid vegetables, all the while talking and thinking business. Then, soon after 3:00 P.M., when the Stock Exchange’s short afternoon session ended, there was a general exodus of merchants, bankers, brokers, and their clerks, most of whom crowded aboard a northbound omnibus to be jounced back up the cobblestones of Broadway to the serenity of Above Bleeker. This was the residential refuge of the wealthy, who by now had abandoned the whole of Manhattan below Bleeker Street to commerce and the lower orders.

Above Bleeker for Daniel Drew was the three-story house at 52 Bleeker Street itself, at the corner of Mulberry, that he had leased in 1839 and purchased three years later. Like most of the homes lining the area’s quiet tree-lined streets, it was in the Federal style, with a handsome red-brick facade, a low stoop leading to the door, and a steep roof with two dormer windows. Several servants also resided in the house, although after a year or two Robert Kelley and Catherine moved into a home of their own on Tenth Street, where their family multiplied. While the neighborhood was elegant and exclusive, Drew and his wife, being country-born and simple in their tastes, were not out to make a shine in society. This was just as well since, in the high-toned parlors of their neighbors, an ex-drover’s quaint speech and manners might have grated on many a sensitivity. Probably the Drews’ entertaining was confined to dinners for partners and relations, teas for ministers, and modest receptions for members of the Mulberry Street Methodist Episcopal Church.

For Daniel was back in the church. When he first moved to Bleeker Street in 1839, he was not a churchgoer, since as he put it, the “cares of this world had choked the Word” in him, so that he “became unfruitful.”³ Now, however, with his drover and tavern-keeping days behind him, he was leading a more settled existence. Having noticed a church just around the corner in Mulberry Street, he occasionally worshiped there simply because of its convenience and the providential fact that it was Methodist. In 1841 the pastor held a prolonged revival that Drew attended at night from curiosity, and there God tracked him down. Powerful preaching wrenched the backslider’s heart, and he was wrought

upon by the Spirit, heard the Divine Voice, and obeyed. Some eight or ten times he went to the altar as a suppliant until, reclaimed from his sins at last, he received the seal of forgiveness. Soon afterward he brought his wife in, too, and both of them joined the church. This time it stuck. After three awakenings and a bolt of lightning, he was in God's pocket.

News of her son's conversion must have gladdened the heart of Catherine Lawrence, who at an advanced age still lived with her other son in Putnam County. Daniel declared that his coming to the church was the late fruition of the piety sown in him long ago by his mother. They were as close as ever; the love he bore her was surely the deepest feeling of his life. When she died in August 1842, at the age of eighty-four, he was at her side. Years later he told his close friend, the Rev. John Parker, "If ever a saint died in triumph, it was my mother," and then he broke down and wept.⁴ For the rest of his life he enshrined her memory, which nourished and strengthened his faith.

But if the church that Daniel Drew joined dispensed the gospel of his childhood, it did so with a difference. The Methodism of the Mulberry Street Church was not that of Putnam County thirty years before, nor even that of New York City fifteen years before, when drably clothed congregations, the sexes segregated, sat on hard benches in gloomy buildings with bare, whitewashed walls. Ministering to a congregation already leavened by incipient sophistication and wealth, the Mulberry Street Church boasted a polished mahogany pulpit backed by drapery, cushioned family pews, a carpeted floor, and finally—after some hesitation—a rented organ.

Despite the apparent relaxation of some strictures, however, church membership was still a serious commitment. All members came under the rules of the *Discipline*, which forbade Sabbath-breaking, profanity, intemperance, the putting on of costly apparel and gold, and the laying up of treasure on earth. As was incumbent upon new members, Drew and his wife for years attended weekly class meetings—she on Friday afternoons and he on Sunday mornings—where theology and practical religion were discussed. In addition, Daniel often attended the church's Wednesday evening prayer services where over the years, as well as at the class meetings and periodic revivals, the eminent steamboat operator and man of Wall Street was heard to confess his shortcomings copiously. Weeping like a child until the eyes of all were moist, he entreated, "O Lord, thy poor servant is so unworthy! Do not let me slip away!"⁵ At such times he was again the anguished suppliant of the first conversion, humble and penitent, fearful of ultimate perdition. But when, in 1844, at the age of forty-five, Roxanna bore him a son at last, how could the sinner not have taken it as an exceptional sign of God's grace?

To have in their fold a Wall Street man so fervently contrite, and generous as well, was a boon to the Mulberry Street Church. In 1843 Drew was elected a trustee, in which capacity he served for many years. Always open to appeals for worthy causes, he became the financial mainstay of the church. Small wonder, then, that the Methodists were disinclined to censure Brother Drew's dual service in the ranks of God and Mammon. Far less than Drew himself did they question whether this thriving penitent could squeeze through the eye of the needle. In that day when commercial prosperity was fast creating a whole new class of rich men, most of whom attended church—Nelson Robinson, Isaac Newton, and the Kelleys were all good Baptists—few churches could resist encroaching affluence. Although its sermons still bore a whiff of brimstone, evangelical Methodism was already succumbing with the others to an insidious process of accommodation that would culminate, at the turn of the century, in a straightfaced pronouncement by Bishop William Lawrence of the Episcopal church, a friend of J.P. Morgan, that "it is only to the man of morality that wealth comes. . . . Material prosperity is helping to make the national character sweeter, more joyous, more unselfish, more Christlike."⁶

Back in his Wall Street office on a weekday morning, Drew made no pretense of being sweet and Christlike, or humble or remorseful either; he was confident, astute, energetic. And by the mid-1840s, as his resources and expertise grew, he was not content, like Jacob Little, to merely trade in the stock of companies. He was out to control them.

Drew's first ventures in this direction came in 1846, in connection with his steamboats. Probably it was Elijah Peck of Flushing, then friendly to him and a fellow trustee of the People's Line, who came to him with a proposition. Peck was president of the New York, Providence and Boston Railroad, more commonly known as the Stonington line, a little forty-seven-mile road linking Providence, Rhode Island, to Stonington, Connecticut. This line was the central link in an important rail-and-water route between Boston and New York, connecting at Providence with the Boston and Providence Railroad and at Stonington with the New Jersey Steam Navigation Company, which operated steamboats on Long Island Sound. The Stonington railroad, being financially weak, had always been imposed on and scorned by its partners, who were ever tempted to dispense with it altogether by connecting directly at Providence. At last, in March 1846, they announced that they would do just that. Left high and dry, Peck was anxious to secure a new link by boat to New York, since his railroad would get little business without it. So he proposed that Drew, having more boats than he could use on the Hudson, establish a new line between Stonington and New York. Since there

was just as much money in the New York to Boston passenger business as in that between New York and Albany, Drew agreed.

On April 1, 1846, when the New Jersey Steam Navigation Company diverted its boats to Providence as announced, service to Stonington was assumed by the People's Line steamboat *Knickerbocker* and George Law's luxurious new *Oregon*, probably the fastest steamboat in the country. It was smart of Drew to switch these boats to the Stonington run, where they could offer more comfort, speed, and splendor than travelers had ever known on the sound. And it was even smarter of him, by negotiating with the coarse-featured Law, a heavyset giant of a man, to get the *Oregon* away from the Hudson, where it had a nasty habit of challenging his People's Line boats to races that they might not win. With one foot planted in the sound, it further occurred to Drew that he might snap up the New Jersey Steam Navigation Company itself and so be rid of it as competition. Operating under a corporate charter would have its advantages, and while the company's boats were inferior to his own, the bigger ones could serve as replacements. So Drew, Robinson, and Eli Kelley bought up the company's stock and took it over at the annual meeting in Jersey City on June 23, at which point Daniel Drew, as the company's new president, had both feet planted in the sound.

He had the steamboat company—what about the railroad? Granted, it was a poor, spindly thing, too hobbled with debt to have ever paid a dividend; milked and bullied by its connecting lines; and denied a much-needed direct junction with the Boston and Providence Railroad at Providence, owing to that city's fierce determination to lose no business to the rival port of Stonington. Yet to Drew's penetrating eye the road revealed certain advantages: the fine, deep harbor of Stonington, which unlike the port of Providence could accommodate the big new boats of the day; the directness of the route, shorter by an hour than any other to Boston; and its avoidance of the turbulent sea passage to Providence around Point Judith. The Stonington route, then, could offer travelers a swift, smooth trip to Boston, while rival lines subjected them to dingy old tubs and slow trains, and maybe got them there seasick to boot. What the Stonington road cried out for, Drew concluded, was money, brains, and spunk, to supply which it occurred to him to join forces with Cornele Vanderbilt, an old hand on the sound whom it was far better to have with you than against you.

Drew and Vanderbilt were now good friends, meeting often to relax in each other's company, talk boats and money, and manhandle the language with impunity. Drew had employed Vanderbilt's son William as a clerk in his Wall Street office until ill health had forced William to leave, and he had even named his own son for William, as a compliment to William's father. So Drew had no trouble getting Vanderbilt's ear, persuading him that together—steamboat men though they were, and

therefore hardly partial to railroads—they could toughen up this weakening of a road and make the Stonington route the smoothest, quickest, and best line to Boston, and the most profitable.

When Drew and Vanderbilt teamed up, things began to happen. During the summer of 1846 they bought a controlling interest in the Stonington. Then on September 29 they took it over, at first retaining Elijah Peck as president. Thereafter, the steamboats of the New Jersey Steam Navigation Company docked not at Providence but at Stonington; the magnificent *Oregon* was joined by Vanderbilt's splendid new *C. Vanderbilt*, permitting schedules that beat all rival lines by an hour; the Stonington railroad flourished and declared a dividend; and the city of Providence was argued, pressured, and cajoled—doubtless for a price—into permitting a direct rail link with the Boston and Providence Railroad, so that passengers could at last ride all the way from Stonington to Boston without a change of train. When this direct service was inaugurated on May 1, 1848, the Stonington's transformation was complete.

Having given the world a lesson in how to make a railroad shipshape, the two steamboat men—each of whom served as president, Vanderbilt for nearly two years and Drew briefly thereafter—soon lost interest in the road. By September 1850 Vanderbilt, preoccupied now with building a canal in Nicaragua to capture the California gold rush traffic, had severed his connection with the Stonington. A year later Drew also sold out. For many years, however, he continued as president of the New Jersey Steam Navigation Company, running in its service some of the finest boats of the day, including Vanderbilt's *C. Vanderbilt* and *Commodore* (Vanderbilt's ego required that a fleet of vessels be named for him), both of which Drew finally bought. Like the People's Line itself, with which Drew often interchanged his vessels on the sound, the Stonington route became for him simply a nice little sideline business. For excitement, he looked elsewhere.

By the late 1840s, Wall Street offered plenty of excitement, since the stock market was finally waking up. It had resolutely ignored the new economic expansion that began in 1844 and the growing prosperity that accompanied the Mexican war. But late in 1848 came news from California of something that Wall Street could never ignore: gold. Immediately the newspapers teemed with ads announcing vessels to San Francisco and Panama, aboard which flocked throngs of young men armed with picks, axes, shovels, pans, and sifters. Then the first ships arrived actually bearing gold dust and nuggets, and wild tales from the West fired the imagination not only of the thousands dashing off to California, but of investors on both sides of the Atlantic, whose skepticism born of the previous panic succumbed at last—and feverishly—to new hopes and new illusions. Over the next decade California gold poured into New

York at the rate of \$50 million a year, while stocks advanced, railroads spread, banks multiplied, credit expanded, and Wall Street profits soared. At long last, a new boom was on.

Not for an instant did Drew and his associates contemplate joining the booted, rough-coated hordes en route to California, it being the style and genius of Wall Street not to run off to gold fields but to make the gold come to it. Drew, Robinson & Company did precisely that, becoming a major recipient of California gold dust and prospering accordingly. Yet in the late winter of 1851-52, with the boom in full swing, their profits surging, and their outlook bright, the partners decided amicably to dissolve their partnership. Probably the prime motivation was Drew's. Recently, for the first time in his life, he had been seriously ill, so much so that for a while it was thought that he might die. Now, although fully recovered, he was of a mind to contract his daily labors in the banking business. So as of March 1, 1852, the firm of Drew, Robinson & Company ceased to exist.

Partly, at least, for reasons of health, Drew now felt a nostalgia for rural living. Perhaps, too, he and his wife wanted their son to grow up in the country as they had. Fortunately, commutation between Putnam County and New York had now become feasible, since in 1849 the New York and Harlem Railroad had finally reached Southeast. As a final determinant, Drew and his wife must have noticed their neighborhood's decline. By the late 1840s, fine shops and hotels had begun replacing houses along Broadway in the Bleecker and Bond Street area, where dentists' offices appeared soon afterward. In the flux that was New York City, the farsighted discerned the signs of decay: shops today, dentists tomorrow, the Irish the day after that. Clearly, it was time to get out.

In the exodus that followed, most of Drew's fashionable neighbors moved uptown to handsome brownstones around lower Fifth Avenue and Madison Square, which was the new preserve of the wealthy, far removed from the city's festering slums, those reputed breeding grounds of riots, cholera, grog shops, and popery. But for Drew, God's country lay a good fifty miles farther north. In May 1852 he went to Putnam County and bought a farm of 150 acres near the home of his brother Thomas in Drewville. Returning to the city, he sold the Bleecker Street house for a substantial profit in June and moved his family up to the farm. Thereafter, commuting weekly by the Harlem Railroad, he gave one day in seven to family, God, and his cattle. But the other six held him in the city, where there were stocks to buy, steamboats to sell, and railroads to compete with or to control. It was a fierce, giddy time, rank with opportunities and change; not for anything would he have missed it.



Enter the Iron Horse

In late September 1849 the lower Hudson valley was vexed along its eastern shore by an unwonted commotion: a chugging, snorting, screeching monster of iron with a jutting cowcatcher and a bulbous funnel that belched smoke as the machine's giant wheels sped northward over level track, with a tender and cars in tow. The unthinkable had happened: the railroad had come to the Hudson.

Unthinkable, to be sure, only on the Hudson, that serene avenue of proud, swift steamboats, since elsewhere throughout mid-nineteenth century America railroads, as they said at the time, were spreading like measles in a boarding school. Indeed, how could they not, when their logic was compelling and their promise dazzling. Unlike steamboats, which could go only where nature had provided accessible waterways, locomotives could go wherever the hand and brain of man directed them, reaching into every corner of the land to bind together, with cheap, speedy, year-round transportation, the huge, sprawling continent of America. Inevitably, from one end of the country to the other there raged a fever of railroad promotion and construction, matched on Wall Street by a fever of speculation. For Drew the Wall Street operator this meant new excitement and new opportunities, but for Drew the steamboat man, preoccupied already with rival operators and dissident stockholders, it meant trouble.

Specifically, the trouble took the form of the Hudson River Railroad, an enterprise first conceived in 1842 by businessmen from Poughkeepsie and other river towns, who were frustrated by seeing quantities of goods piled up on their wharves and in their warehouses for three long months

each winter, trapped by the river's freezing, a seasonal blockade that only a railroad could eliminate. Yet it was a daring notion, to challenge the steamboats of the Hudson. It had been too daring for the promoters of the New York and Harlem Railroad, chartered in 1831, who in extending their line north from Harlem stayed well to the east of the Hudson, thus confining themselves to an area limited in resources and without large towns, so that meager revenues resulted. The backers of the Hudson line were men of bolder vision, yet they soon learned just how complicated organizing a railroad could be. For while a steamboat line could be launched on a shoestring, even the shortest railroad cost millions, since it had to build its own right of way. This meant massive financing that required a corporate structure, which meant extracting a charter from the state legislature, which meant wooing legislators whom rival interests—canal, turnpike, and steamboat men, landowners along the proposed route, and other railroads—could woo just as winningly. In 1842 it was the steamboat men who fought the railroad and won; no charter was forthcoming.

In 1845, however, the railroad promoters tried again, this time under the plucky leadership of James Boorman, a prominent New York City merchant who, both as a champion of progress and an importer of iron, had long been an advocate of railroads. By now times had changed. With a jealous eye on Boston, which in the race for Western markets had pushed through a rail link to Albany and achieved connections all the way to Buffalo, the New York State Legislature shook off its smug confidence in state waterways at last. In May 1846, this time over the opposition of the rival Harlem line, the lawmakers passed an act incorporating the Hudson River Railroad Company, which was to build a line along the east bank of the Hudson from New York to Albany, where it would connect with existing rail links to Buffalo.

The Hudson River Railroad's choice of a route that closely paralleled the Hudson not only put it in direct competition with the steamboats, but also necessitated cutting through the flinty rock of the Hudson Highlands, whose massive humps rose up sheer from the river. Led by Boorman, a group of backers had argued persuasively for this route, pointing out that, whatever the risks and the costs, it was the most direct and gradeless. Work began in 1847, but required more time and money than anticipated as it pressed slowly north toward Poughkeepsie, delayed endlessly by the arduous task of tunneling through Anthony's Nose and Breakneck Hill. When the railroad's first president, discouraged by the cost and obstacles, proposed that the line stop at Poughkeepsie, Boorman and his allies ousted him and Boorman himself became president. As honest as he was determined, Boorman served without salary and decreed that his own firm should have no contracts with the railroad.

Headstrong, pushy, and obstinate, he vowed to dig, sweat, bridge, and blast his way to Albany: the railroad would be built!

All of this gave Daniel Drew plenty to think about. He knew what railroads were. They lurched and screeched and flung cinders in the eyes of their patrons, but they were faster than any steamboat. Was it conceivable that, by speed alone, Boorman's snorting machines would displace the queenly steamboats on the Hudson, just as the steamboats had displaced the poky river sloops?

The first hint of an answer came on September 29, 1849, when the railroad opened forty-two miles of track from New York to Peekskill. During this first season of the line's operation, a survey showed that while the railroad charged fifty-five cents to Peekskill as against thirty-seven and one-half cents on the boats, five passengers out of six took the train. Although the local boats slashed their fare to a quarter, they could not compete against the faster railroad and had to abandon the route. Three months later, the railroad opened as far as Poughkeepsie, the half-way point to Albany, with the same result: patronage of the boats so declined that operators stopped running them to Poughkeepsie and the nearby landings.

As a further jolt, the federal government, desiring the fastest possible service for the mails, took its contract for the northern mail away from the People's Line and gave it to the Hudson River Railroad. With tracks in service only as far as Poughkeepsie, however, the trains obviously had to connect with steamboats, so President Boorman turned to the two top men on the river. Throughout 1850 the People's Line joined forces with the railroad and ran certain boats to connect at Albany and Poughkeepsie with the trains, Drew and Newton being of a mind to hang on while they could to a slice of the government subsidy. But Boorman was no fool: under the terms of their agreement he made the steamboat men maintain their all-water fare between New York and Albany at two dollars—the same as on the rail-and-water route—and insisted on posting agents on their boats. Clearly it was a strained alliance, so in 1851 Boorman arranged other connections. By then, with the worst construction problems behind him, he was feeling downright cocky. "On the opening of the road to Albany," he informed Drew jauntily, "you can bid good-bye to your steamboats!"¹ Many of Drew's friends agreed.

Boorman's triumph came on October 8, 1851, when the railroad was formally opened to Greenbush, its terminus just across the Hudson from Albany. Seeing his task as completed, he had resigned the presidency the day before, but at the sumptuous dinner that the company gave in the depot for the governor, other dignitaries, and stockholders, he was hailed with cheers and applause. Far more ominous for the steamboat men, however, was the unprecedented time to Greenbush of the excur-

sion train that had brought the guests from New York, a scant three hours and fifty-five minutes as compared with seven and one-half hours to Albany by boat.

Yet Drew did not bid his steamboats good-bye. Instead, he threw himself into the toughest fight of his steamboat career. Because the railroad was stealing away a lot of his passengers, he decided to handle more freight. Because the railroad had grabbed most of the local business, he suspended service to all intermediate points along the river. Because the railroad was reaching for the biggest prize of all, the through business to Albany and Troy, he competed fiercely, running his elegant boats—those marvels of mahogany and stained glass and lace—through the romantic scenery of what was called the American Rhine, offering through service amid unparalleled comfort and luxury, with fine dining and seemingly motionless travel that on the night boats guaranteed a good night's sleep. So what if the railroad was faster? It jammed its patrons into cramped quarters on hard wooden benches, gave them meager views through smudged windows, and subjected them to bumps, jolts, cinders, and soot, and to insipid food gulped down in dingy restaurants. Let the public decide. Were not the waterways God's own highway, composed, as the canal men used to argue, of the fluid that comes straight from heaven, whereas the railroad, with its smoke, dirt, and fire, stemmed from hell? Then, too, it occurred to him, the Hudson line was burdened with debt, so perhaps it could be nudged into receivership. Which to an old river man suggested an immediate solution: cut your fares and bleed 'em through a rate war.

Within eight days of the railroad's opening, the People's Line lowered its Albany fare from one dollar to fifty cents and maintained this low rate to the end of the season. By the following spring the railroad was running six trains a day to Albany at rates of from \$1.25 to \$2.50, in competition with which Drew and Newton operated no less than three lines of Albany night boats, all with a fare of fifty cents. Hard-pressed, on June 3, 1852, the Hudson River line reduced the rate on all Albany trains to \$1.50, or about one cent a mile. Commenting on the line's frequent delays and accidents, Henry V. Poor's *American Railroad Journal* had already called the Hudson River road a disappointment and was frankly skeptical about a line whose unique distinction it was to combine the highest construction costs with the lowest rail fares in the country. Confirming this judgment was the railroad's next annual report, announcing net receipts that failed to meet the interest on its debt, much less offer hope of a dividend. It seemed the gracious steamboats were winning.

But were they safe? On July 21, 1852, the day boat *Henry Clay* caught fire on the Hudson and burned to the water's edge with a loss of some seventy lives. This disaster was so clearly the result of racing that

a great public outcry arose, causing Congress to hastily pass the Steamboat Inspection Law of 1852, providing for more rigorous testing of boilers and the licensing of all passenger-steamboat engineers and pilots. To be sure, the *Clay* did not belong to the People's Line, whose safety record to date had been excellent. But on July 1, 1853, while the giant *New World* lay at her dock just prior to departing for Albany, the flue of one boiler collapsed, killing six crewmen and scalding two others. An investigation revealed excessive steam pressure resulting from deranged steam gauges and safety valves, for which the *New World's* chief engineer had his license revoked. Obviously, in flagrant violation of the steamboat law, the *New World* had been getting up extra steam to race the *Francis Skiddy*, a crack new opposition boat, on their first run of the season together.

So the boats were not always safe, and no matter how fast they went, they could never beat the trains. The diarist George Templeton Strong, a devoted patron of the steamboats, loathed "that filthy railroad," but admitted that it was aggravating "to see the trains come squealing and stinking after us as we lounge up the river and rush past and out of sight as if our meek little steamboat were at anchor."² By 1853 not only the day boat *New World*, designed to carry passengers only, but Drew's night boats as well, although still charging only fifty cents, were steadily losing business to the railroad. In April 1853 the *American Railroad Journal* announced that, even at one cent a mile, the railroad had a chance of success, and in May declared outright, "Public favor has turned unmistakably upon this road."³ In early October, with the steamboat rates still at fifty cents, the railroad raised its Albany fare to two dollars, clearly in proclamation of victory.

But the battle was far from over. Connecting at Albany with both the steamboats and the Hudson River Railroad was the New York Central, an important carrier created in July 1853 by the merger of ten small railroads operating between Albany and Buffalo. Since the steamboats could not provide a year-round connection, the Central seemed inclined to an alliance with the Hudson line and already had four of its directors on the board. Some steamboat men might have resigned themselves to this situation, but not Drew and Newton, who must have approached the Central bristling with arguments as to why it would do better to join forces with the People's Line. For instance, since the Central was in keen competition with the New York and Erie Railroad, it needed to offer the lowest fare possible between New York and Buffalo. By teaming up with the steamboats, whose rates were lower than the Hudson River Railroad's, the Central could do just that. Also, the Central carried a lot of freight, hence needed the partner that could handle freight best. Boats could carry more than the trains, especially the vessels of the People's

Line, which henceforth would have an entire deck reserved for this purpose. And finally, what about connections to the West? Isaac Newton, the nation's top steamboat designer, could build new palace steamboats to ply between Buffalo and Detroit, the like of which the Great Lakes had never seen. They would link the Central with the Michigan Central Railroad and give it a connection all the way to Chicago. In the face of such prospects, what could Boorman's screeching little monsters offer?

These arguments won the day. Henceforth the New York Central gave the bulk of both its freight and passenger business to the People's Line. Then in 1854 Newton with great success designed and built two sidewheelers, the swiftest and most sumptuous ever seen on Lake Erie, that in plying between Buffalo and Detroit completed the new through line to Chicago of which the People's Line was the easternmost link. In a bold bid to participate in the ever widening transportation network that was rapidly tying the nation together, Drew and Newton could now offer through tickets to Buffalo, Cleveland, Chicago, and the other important cities of the West. Of course, when ice closed the Hudson the New York Central suddenly remembered the Hudson River Railroad and cordially consigned to it its freight and passenger business, although only for the balance of the winter. This policy so irked the Hudson that at its annual election of June 16, 1854, the four New York Central directors were ousted. Yet among their replacements, who should come in as a representative of the New York and Erie Railroad but Drew's former partner Nelson Robinson. Getting one up on Drew was not easy.

With the New York Central diverting most of its business to the People's Line, Boorman had changed his tune. Coming to Drew at a time when the boats were charging a dollar to Albany, he suggested that the People's Line raise its rate to two dollars, so that boat and rail passengers would pay the same and Drew's own profits double. Replied Drew, "My company's making money enough at a dollar the passage, and then the public too is better satisfied. But there's one way by which you can regulate the rate of passage." "How?" asked Boorman eagerly. "Why, buy out the People's Line," said Drew with a chuckle. "But you haven't got money enough to buy us out!"⁴

What remained to put the final pinch on the railroad? First, to incorporate, so as to give the People's Line greater legal protection and durability, but not in New York State, where politicking and payoffs would be necessary, and where hostile steamboat and railroad interests might work all kinds of mischief. So Drew and Newton applied for a charter in New Jersey, using as incorporators a bunch of unknowns and as a corporate name the New Jersey Steamboat Company, which hardly smacked of the Hudson. Probably few if any of the Jersey legislators knew or cared who or what they were incorporating by their special act of March 2, 1854, following which Newton became the president and Drew the treasurer

of the new corporation, whose stock they held in very tight hands, and to which they sold their four finest boats, the *Oregon*, *Hendrik Hudson*, *Isaac Newton*, and *New World*, for a not ungenerous half million dollars.

And then the *New World*. Since the incorporated company, still operating under the name of the People's Line, renounced day service and intermediate stops completely to run night express boats to Albany and Troy, this giant had become a lavish embarrassment. What does one do with a 1,313-ton day boat if this marvel has been deserted by the public? Answer: you convert it to a 1,676-ton night boat with berths for eight hundred; you give it sumptuous furnishings, including gas-fitted chandeliers whose crystal pendants will never rattle, so smooth is the movement of the vessel; and finally, more dazzling yet, you create a grand saloon that rises through two stories to the ceiling above, and add a new second tier of staterooms that open onto a gallery overlooking that grand saloon below—an effect without precedent on river boats, suggestive of the theater or opera house, and well calculated to remind the public just how cramped, jolting, drab, and cinder-ridden even the finest railway coach must be.

It was a daring move by the managers of the People's Line, to try the gambit of luxury again and pour hundreds of thousands into it. The renovated *New World* resumed service to Albany as a night boat on September 5, 1855, and instantly became the talk of the river. When in a year's time it was joined by the *Isaac Newton*, similarly rebuilt with a second tier of staterooms and a grand saloon rising through two decks (features that thereafter became standard on Eastern river boats), the managers of the People's Line had doubled the stakes in their gamble, and the gamble paid off. In the war between the steamboats and the railroad, renewed each spring and fought doggedly, neither side won nor did either lose. In the end there was business for both, since travelers who wanted speed took the railroad, while those who relished comfort took the boats. Yet perhaps the boats had an edge. If they now carried only half as many passengers as before, there was freight to compensate. When the *New World* docked at Albany on May 1, 1858, it held a record 500 tons of it, which with the passenger receipts yielded earnings on a single trip of over twenty-two hundred dollars. Meanwhile the Hudson River Railroad, although heavily patronized, was also heavily mortgaged. Struggling along with its debt, troubled by accidents, and slighted by the New York Central, it was forced to stringent economies and only in 1862 declared its first dividend, at a meager 3 percent. If this was a draw, it was the kind that Drew liked.

As a hard-nosed steamboat man, Drew had been shrewd to tie his vessels into the great transportation links being forged throughout the country. And just as he had put out one finger to Boston via Stonington

and another to Chicago via Albany, so now it occurred to him to put out still another to the north. In December 1848 the Saratoga and Washington Railroad had been completed, linking Saratoga Springs to Whitehall, the southern terminus of the steamboats operating on Lake Champlain. Since another little railroad already linked the town of Troy on the Hudson to Saratoga, and since a Canadian railroad connected with the Lake Champlain steamboats at the northern end of the lake, there was the dazzling new prospect of a through rail-and-water route connecting New York to Montreal. Since such a route was bound to be profitable, it struck Drew, already half owner of the vessels of the Troy line, how pleasant it would be to control the other water link as well. Suddenly he conceived a great hunger for the Champlain Transportation Company.

Incorporated in Vermont in 1826, the Champlain Transportation Company had competed fiercely with its rivals and absorbed them all, until it owned every steamboat on the lake. By 1849, however, the founders, still in control after twenty-three years, were running the company in a lackadaisical fashion, leaving the details of the business to the captains. So matters stood when in the summer of 1849 a group of New York financiers headed by Daniel Drew and Nelson Robinson bought out certain of the directors and so acquired control of the company. One glance at the line's operations must have revealed to these knowing Gothamites an old-fogy, slowpoke way of doing things that cried out for a little Wall Street flair.

At the next meeting of the board, in 1850, Drew, Robinson, and Robert Kelley all became directors, and they elected a local man as president. Immediately they hiked the dividend and raised the president's salary from eight hundred to ten thousand dollars. Negotiations with the connecting railroads to establish a north-south through line began. Furthermore, when the Swedish soprano Jenny Lind came to America in that same year of 1850, to sing to packed houses rendered feverish with anticipation through the promotional efforts of P.T. Barnum, the new managers contrived to sluice some of the profits their way. To patrons in the Lake Champlain area the Champlain Transportation Company proposed an inspired early version of the package deal. This included a ticket offering combined boat-and-rail passage from any point on the lake to New York, a ticket to the Jenny Lind concert on Friday night, October 25, an allowance of up to three days in New York, and return passage via boat and train to the original point of departure. Whatever their ignorance of Swedish coloratura singing, when it came to profits, the boys at Drew, Robinson & Company fairly sizzled with fresh ideas.

Not that all their ideas worked out. One failure was the Great Northern Mail and Express Route, the new north-south route that they organized in conjunction with the Troy steamboats and the neighboring rail-

roads. With great fanfare, the route went into operation on June 2, 1851, offering through tickets from New York to Montreal for only five dollars, with a travel time of less than forty hours, and a fare and schedule that were enthusiastically hailed in the press. Yet after August 19 the ads disappeared and the service ceased, without any explanation to the public. Perhaps the recent organization of a new all-rail route to Montreal by the New York and New Haven Railroad and some New England lines—a route that would not be closed by ice in the winter—had something to do with it; or perhaps some of the cooperating lines had found the arrangement unsatisfactory. But whatever the reason, the new rail-and-water route to Montreal died almost as soon as it was born.

As a consequence, the Champlain Transportation Company was beginning to look like a lemon. By now, Drew and his colleagues may well have been asking themselves why they had ever cast an eye on the frigid regions of the North. But all was not lost, for in 1852 the company received an offer for the company's boats and equipment from the Rutland and Burlington Railroad of Vermont, which proposed to tie the boat line into a system of its own. By this time Drew was no longer on the board, but his associates dominated it. At a special meeting on August 31, they voted to accept the railroad's offer of \$125,000 for the company's five steamboats and other property, although they held on to its charter.

The next two years brought boundless grief to the railroad. Like many other lines of the day, the Rutland and Burlington had underestimated construction costs and overestimated traffic, so that it failed to meet the interest on its mortgage bonds and passed into the hands of trustees. Meanwhile the debt-free Champlain Transportation Company, having retained its charter, could still operate boats on the lake, and when two new ones were launched in Whitehall, snapped them up and put them into service. As a result, while the railroad foundered, the steamboat company prospered. So in 1854, when the railroad's trustees resolved to get rid of its steamboats, they offered them to the very company from which they had first been acquired. Graciously the Champlain Transportation Company consented to repurchase most of its property, paying only \$48,200; the railroad had been had.

By now, Drew and his partners were ready to bid the northland adieu. In 1856 they sold their controlling interest in the company to a group of Troy steamboat men who had a hand in the local railroads as well. So ended Drew's involvement in Lake Champlain steamboating, a venture that through luck or foresight had proved a remarkable success. So it usually went with Drew and his partners; money just stuck to their fingers.

For several years, after buying the Drewville farm in May 1852 and moving his family there, Drew lived during the week in the city at the

new St. Nicholas Hotel on Broadway at Spring Street. This was a vast palatial establishment with a white marble facade, velvet carpets, sofas upholstered in Flemish tapestry, ornate mirrors, and gold leaf overlaying everything—a profusion of the same rich magnificence that Drew himself had lavished on his steamboats. Even so, he must have cut a curious figure there, this tall, lean, pinch-faced man, somberly and negligently dressed.

On the weekend he was off to Putnam County, borne there by the New York and Harlem Railroad, the Hudson line's not remarkably successful competitor. Still, the railroad's coming to Southeast in 1849 had produced something of a miracle: there, at the base of a steep, wooded hill, a depot and houses had sprung up, then a store, a screw factory, a lumber yard, and a solid block of handsome brick buildings. Known henceforth as Brewster's Station or Brewster's (later Brewster), this thriving village mined iron ore and shipped milk and cattle to the city. Its commerce was the wonder and despair of Carmel, the county seat four miles away, which, being untouched by the railroad, remained virginally rustic, undeveloped, and somnolent.

South of Carmel and west of Brewster lay the quiet little hamlet of Drewville, its name derived from long association with the Drews. There Daniel rejoined his wife and son on the farm and kept in touch with his brother Thomas, now a neighbor, whose married daughters and grandchildren likewise lived in the vicinity. Throughout the year, Sunday was Daniel's one full day there, when he worshiped at the Methodist church either in Carmel or near Brewster, then inspected every acre of his farms and every head of livestock on them. He had two farms now in Drewville, on one of which he lived quite modestly, as well as the larger Clift farm south of Brewster that he still retained as a stock farm, tended now by his brother-in-law Harry Mead, who lived there as a tenant. How it must have pleased him on his weekly tours, with Wall Street and railroads out of mind, to take along with him his son Billy and his grandson Danny, so as to teach the boys about critters, striding from pasture to pasture in dew-soaked trousers, his boots caked with dung, and leaping nimbly over the old stone walls that intervened. (Or not so nimbly: in May 1859, while jumping from just such a wall, he fell and dislocated his shoulder.) Then on Monday, refreshed by this brief rustic idyll, he hastened back to New York.

Meanwhile Drew's daughter Catherine had been widowed again. On February 27, 1853, Robert Kelley died in New York of typhus at the age of thirty-three. Left a wealthy woman with five small daughters, Catherine moved back to Putnam County, where she built and furnished a Methodist chapel on her father's land at Drewville and adjoining it another building to house the Drewville Institute. This was a small private

school that she founded at her own expense to give her children and those of local friends and relatives (Drew's own son, her brother, among them) free instruction in matters intellectual, spiritual, and moral. Surely it was deemed fitting by all when in June 1857 this local benefactress, the most desirable match in the township, married in that very chapel the Rev. William S. Clapp of Danbury, Connecticut, a widower who thereafter, when called to the Baptist church of Carmel, took it laboriously upon himself to improve spiritually and otherwise that not wholly enlightened corner of the county. As for Catherine, remarried at thirty-six with two stepchildren to care for and another son soon to follow, she was still extending a rather full gamut of experience, having had as husbands a tavern barkeep, a Wall Street broker, and now the worthiest of Baptist clergymen.

Like father, like daughter, the neighbors must have reflected, since as the first Methodist millionaire Daniel had been a generous donor to Wesleyan University in Connecticut, the Concord Bible School in New Hampshire, and Troy University at Troy, becoming a trustee of all of them. Closer to home, he and Nelson Robinson were both trustees of the Raymond Collegiate Institute of Carmel, the area's chief stab at female education. And when the Methodist church in Carmel required renovation in 1853, Brother Drew's subscription of a hundred dollars kicked off the drive to raise funds. When it was announced that all but twenty-five dollars of the total sum needed had been raised, out of whose pocket should it come but his own, volunteered at once with a smile? Not for years had he been so close to the home folks, this benign capitalist who soon afterward served on a church committee to superintend tables at the July 4 Methodist Ladies' Sewing Circle Fair.

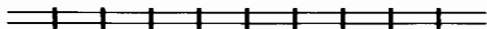
To be esteemed for one's good deeds was fine, but what most tickled the old man (he was pushing sixty and looked it) was to be known among his neighbors as the finest judge of critters in the county. Facilitated by the railroad, cattle trading was still big business in Putnam, where drovers like Thomas Drew took from a dozen to seventy head to the city by rail every week. Thanks to the railroad, Daniel too could keep his hand in. Each May he visited the Upper Bull's Head, New York City's chief cattle market at Forty-fourth Street and Fourth Avenue. There, in the glut of cattle from the West, brought now in a week's time by rail, his practiced eye singled out those animals best suited for rapid fattening on grass. Shipped by rail to Southeast, these cattle were grazed on his farms throughout the summer, then in October or November were shipped back to the drove yards in the city, where, ponderously fleshed, they were admired by all and fetched a top price. In 1858 Drew sold 120 cattle from his farms, of which a hundred weighed one thousand pounds each and some of them a good twelve hundred. Small wonder that the

Tribune's weekly Cattle Market Report extolled his results, obtained by grass feeding only, and recommended the practice as the best possible use of the rough grazing lands of eastern New York.

But Drew's supreme delight surely came not in the drove yards of the city, but at the county fair held in late September or early October at the fairgrounds near the village of Carmel. Flocking there in buggies, past roadside stands that hawked watermelons, sweet cider, and pastry or that offered Negro minstrelsy or a shrill performance by real whooping Indians from a circus, came people from every end of the county to survey, in a huge tent topped by Old Glory, the products of the enterprise of Putnam, including needlework, cabbages, and apples, harnesses and sewing machines, and all manner of livestock, viewing which in the glory of an Indian summer, one could almost forget the bloody strife of slaveholders and Abolitionists in Kansas.

In the fair's cattle section, Drew himself must have viewed with swelling pride and excitement the brawny working oxen, the hefty cows and bullocks, the entire lots of fine fat steers that he had bought at three hundred pounds and in six months tripled or quadrupled in weight, to be sold at a hundred dollars a head. Year after year these animals sent him home with top prizes, such as a diploma or a silver cup, *Stevens's Book of the Farm*, or the colored plates of the *Horticulturalist*, publications that thereafter (one suspects, in pristine condition) loomed prominently among the scanty volumes, mostly Methodist hymnals and the Good Book, that constituted his library. For all the time he had spent in the city, then, the old man still knew critters.

Yet when it came time to return to New York, he was always ready. Fat cattle, county fairs, and clean country living were all very fine in their way, but they did not make his brain tick or his pulse quicken. Seated in a Harlem coach en route to the city, he could hardly wait to get back: the Wall Street pot was boiling.



The Best Friend a Railroad Ever Had

On October 11, 1853, Daniel Drew got married to the New York and Erie Railroad, whose board of directors he joined at that date and remained a member of for fifteen years, long enough to constitute, in speculative circles, a marriage. It was, however, a most cynical union, for the groom's intentions were anything but pure, while for her part the lady had a past; in fact, she was notorious.

Incorporated in New York State in 1832, the New York and Erie Railroad had embodied the sublimest of visions: a bond of iron linking the Atlantic to the Great Lakes, and the port of New York to the vast regions of the trans-Allegheny West; a railroad that would be one of the longest trunk lines in the world, guaranteeing forever to the port of New York, to the exclusion of her jealous rivals, the commerce of that immense hinterland that she had first secured by means of the Erie Canal. In an age when the construction of a railroad only fifty miles in length was considered a major undertaking, the Erie promoters had proposed a line nine times as long, part of it through forbidding mountainous terrain—a project so grandiose as to be conceivable only as a supreme act of faith.

From the outset, this vision was plagued by calamities. In December 1835, only one month after the first ground was broken, a great fire in lower Manhattan ruined many of the original backers, and of those then spared, many more went under in the Panic of 1837. Over the decades that followed, the work proceeded haltingly, hampered by a depleted treasury; by underestimated costs and overconfidence; by state and local rivalries, unreliable contractors, a restrictive charter; and by false and not-so-false accusations of managerial fraud and incompetence. President after president resigned in defeat or was ousted, while the line's backers

despaired, took hope, and despaired again. The engineering problems alone were staggering. There were vast distances to be spanned, torrents and chasms to be bridged, and rocky precipices to be hewn through, the financing of which required millions, although at one point in those days before gaslight, the directors could not even afford candles for their meetings. All too often, colossal blunders were committed by the management. Of all the enemies arrayed against the Erie—man, nature, and God seemed among them—one of the foremost was the Erie itself.

What did Daniel Drew, the shrewdest of money men, see in this child of vision and disaster? At first, just another fancy to manipulate. But in 1851 this changed. With its charter's twenty-year limit about to expire, the Erie, through a desperate burst of energy and debt, managed to complete 445 miles of track between Piermont, twenty-five miles north of New York on the Hudson, and Dunkirk on Lake Erie (both termini in themselves insignificant, their choice another blunder). On May 14 and 15, 1851, two special trains bearing President Millard Fillmore and other dignitaries rode the full length of the line, following which at Dunkirk, amid pealing church bells and a barbecue, Director William B. Dodge announced triumphantly, "The Empire City and the great West, the Atlantic Ocean and the inland seas, are by this ligature of iron made one!"¹

Daniel Drew did not attend the opening ceremonies. His chief contribution to the Erie saga to date had been, in company with most of Wall Street, some nimble trading in the railroad's stock. But a completed railroad was another thing; suddenly, this tawdriest of Wall Street jades seemed appealing. And when the "Ayrle" as he called it reported rising earnings, declared a dividend, and secured both a connection to Buffalo and a Jersey City terminus just across the Hudson from New York, the old drab looked positively glamorous. Now both he and Nelson Robinson were eager to get on the board, not because they believed in Erie's promise (although perhaps, to an extent, they did), but because the Erie was a setup for sustained speculation. Headquartered in New York, it had a large capitalization and was actively traded, with much stock available on the Street. Better still, there was no strong hand at the helm, so that the company's fortunes oscillated between shimmering hopes and tangible disasters, producing those wide fluctuations in stock so dear to a speculator's heart. The only thing lacking, in the eyes of these cynical appraisers, was the inside knowledge that would assure their operations of success, which was why they began wooing Erie.

Nor could Erie turn them down. Having begged loan after loan from the state and piled mortgage on top of mortgage, the company needed desperately the support of financiers like Robinson and Drew, whose resources and acumen were respected, and who in any event could not be kept out, given their heavy holdings of the stock. On July 27, 1853,

Robinson became the company's treasurer, and when the annual election of October 11 brought some new faces to the board, among them were Drew, Robinson, and several of their Wall Street allies. On March 14 following, when Robinson resigned for reasons of health, Drew became the company's treasurer and, as such, a power in the road.

To be sure, some Erie stockholders may have questioned the propriety of the new treasurer's presence in their midst. After all, Drew's steamboats were allied now with the New York Central, Erie's great rival in competing for the traffic of the West. If the Central undercut the Erie's rates consistently, it was because of the boats' low fares. To cope with this situation, in October 1853 the Erie for \$100,000 had bought a controlling interest in the *Francis Skiddy*, thought by many to be the finest and fastest boat on the Hudson, and had run it up the river to Newburgh, to connect there with an Erie branch line. By this route, the Erie ads claimed, passengers would reach Buffalo and the West eight hours ahead of those leaving at the same time on the People's Line. All of this must have been awkward for Drew, who had just joined the Erie board. Drew, however, probably reflected that railroad men, especially Erie men, knew precious little about operating steamboats. Sure enough, by the following spring the *Francis Skiddy* had brought the railroad a loss of over \$14,000, so that the company was dying to get rid of it. Now the treasurer, Drew was only too happy to help, so in May 1854 the *Skiddy* was sold to Eli Kelley and Vanderbilt, who promptly sold it to him. Obviously, sitting in Erie's councils could be useful: golden crumbs came your way.

In those days, they seemed to be coming everybody's way but Erie's. Real gold kept arriving on ship after ship from California, as if to fuel forever the economy of a lusty young nation that wanted more land, more cities, more mines, more beaver hats, silk dresses, cigars, and champagne—and most of it on credit. The Stock Exchange was feverish, money easy, hopes high, and for speculation one had the choice of stocks, land, guano, sugar, cotton, tobacco, lead, gold mines, and fancy poultry. Central to all ambitions and illusions were the railroads, those binders of the nation whose projected conquest of the wilderness glib promoters were touting with dizzying success throughout Europe. By the early 1850s, their stocks were at an all-time high.

In July 1854, however, there was a jolting discovery. Robert Schuyler, the socially prominent New Yorker who was president of the New York and New Haven Railroad, had forged twenty thousand shares of New Haven stock and sold it for two million dollars. Exposed, he absconded with the money to Canada. Then the Harlem line's secretary confessed to similar forgery and misappropriation, and it was learned in turn that a large number of other companies had also been looted by insiders. The bull market sagged grievously as banks tightened up on

loans, and the dismayed public grasped that some of the most dazzling go-ahead artists were capable of outright fraud.

This upset was ruinous to Erie, whose stock, having hit 82 in March, by late summer had dropped to the low thirties—a plunge that Treasurer Drew surely worked for all it was worth in the market. Not that doubts about Erie were unjustified, since track and roadbed were deteriorating, laborers remained unpaid, and earnings were being ravaged by a rate war with the Central, while in this time of sudden stringency the company could not make loans to meet the interest on its mountain of debt. James Gordon Bennett's *Herald*, voicing its owner's caustic view of Wall Street, was ruthless in denouncing the "rottenness and insolvency of the Erie," which it blamed on years of mismanagement. By August the road was desperate, since semiannual interest of \$337,000 on certain bonds was due September 1, and other huge debts were due soon thereafter, with no prospect of obtaining the money by loans. The affluent gentlemen of the board, generous in the past, refused to help the road in this crisis, and to top it off, three of them went bankrupt. Was there no hope, then? Yes, a glimmer. Erie's treasurer announced that he knew a man who, if properly approached, might help—Cornelius Vanderbilt.

Dressing elegantly in top hat and stock, his graying hair and ample sideburns neatly ranged, the dapper Vanderbilt of the 1850s was as resourceful and aggressive as ever, authoritarian to the core, respected but not loved, square-jawed, rough-tongued, and ruthless. Determined to open a route to California via Nicaragua, he had gone to Nicaragua himself, and to convince his own engineers it could be done, had bounced, scraped, and hauled a steamboat up a jungle river over rocks and through churning rapids. The route had indeed been opened, in consequence of which Drew had become co-owner with Vanderbilt of the steamship *North America*, plying between Nicaragua and California. This was surely Drew's farthest venture from home and not a happy one, since the ship, wrecked on the coast of Mexico, begot much litigation. Thereafter, in 1853 Vanderbilt had sailed off to Europe in his steam yacht the *North Star*, the biggest and most luxurious private yacht in the world, to create a sensation on both sides of the Atlantic by this unprecedented tour of the Old World by a self-made man of the New. Returning a celebrity, he discovered that in his absence two associates had seized control of his Nicaragua interests. Immediately he wrote them, "The law is too slow—I'll ruin you," and set plans in operation to do so. This was no idle threat, given his means; in wealth he ranked second only to William B. Astor, the son of John Jacob, a rating that he had vowed to improve.

It was to this giant of finance, a man whose brain swarmed with grandiose plans, and who would soon make the acquaintance of presidents,

that Daniel Drew turned as an old friend and associate in Erie's hour of need. This was not, to be sure, an appeal to sentiment, for such an approach would have been wasted on Vanderbilt; Drew spoke as one businessman to another. As a result, on August 29, 1854, the Commodore endorsed Erie's short-term notes to the amount of \$400,000, taking as security a mortgage on the company's entire rolling stock, plus \$40,000 for his name. Yet the *Herald* was unimpressed, noting that most of this money would be paid out immediately as interest on the bonds, while the company's floating debt continued to mount. As if in answer, on August 31 Drew himself agreed to endorse Erie notes for up to one million dollars, of which he immediately endorsed \$200,000, taking a mortgage on all Erie property that was still mortgageable. With two such endorsements behind them, Erie's five-month notes were taken at last by the banks, who advanced the railroad \$600,000. Erie was saved, at a price.

This rescue provoked varied comments from the press, derisive from the *Herald*, more positive from the *Tribune*, which defended the board's "purity of character," while Poor's *American Railroad Journal*, hearing that Vanderbilt was boasting that he and the bondholders would soon get the road, decried him as a "sordid and grasping Shylock." As for Erie's troubled stockholders, it occurred to some of them to campaign for a change in management. At the annual election on October 10, however, the same group remained in power; Homer Ramsdell, a merchant of Newburgh, New York, was reelected president, and Drew continued as treasurer. Thereafter, in a fit of self-scrutiny, the company instituted reforms, then placed a new loan and satisfied the mortgages. Drew was officially thanked for his aid, and Vanderbilt did not get the road. So ended the Erie crisis of 1854.

Surprisingly, revelations of stock fraud did not halt the great boom of the 1850s, which got under way again as business conditions improved and the public recovered confidence. Speculations in land and commodities continued as frenzied as ever, and while railroad stocks declined steadily owing to a return of foreign capital to Europe, gold mine issues hit new highs. Everywhere, men met excitedly to trade securities, at the Stock Exchange, outdoors on the curb, at small rival exchanges, and even in hotel rooms after dinner.

No stock trader was more frenziedly active than Nelson Robinson, Drew's partner in a hundred coups. A daring speculator and a brilliant strategist, this former circus man and cattle dealer was now a giant of the exchange, a striking example of the self-made man in the rough. In 1854, however, a stroke struck him down in his office, and his condition was so serious that he could not be taken home for several days. Thereafter, heeding the pleas of his family and doctor, he retired for a while to the

country, where his health improved. But with the market still at a fever pitch, he could not stay away. On Wall Street fellow brokers hailed his return, and the leading fancy stocks yielded to his deft manipulations. But again the strain told. Warned by his physician and beseeched by his young wife, he promised to wrench himself away: in May 1856 he would take his family on a European tour. On Sunday March 23, after a week of strenuous exertion, he attended church as usual, then went in his carriage to pick up his mother at another church. Just as he opened the door for her he was stricken again and collapsed. Taken at once to his Union Square mansion, he was borne up the stoop to the door, weeping as he announced, "I'm afraid I'm paralyzed."² Soon afterward he lost consciousness; a few hours later he was dead. The next morning the Board of Brokers passed resolutions of condolence and suspended the afternoon session. Only forty-eight years old, he left a fortune of over one million dollars.

Calm amid the frenzy of others, Drew mourned his ex-partner and bought his house. Some might have considered the house unlucky. The Suydam family, the wealthy merchants who had built it in 1849, had sold it to Robinson after suffering financial reverses, and now Robinson had died there. But 41 Union Square was a mansion worthy of a money king. It was a four-story brownstone with a high stoop on the west side of Union Square, at the corner of Broadway and Seventeenth Street, with a deep lot joined in the rear by another lot which, running back from Seventeenth Street, contained a private stable. And the neighborhood was the finest. Across the street lay Union Square, an elliptical park ringed by an iron fence and laid out with walks, shrubbery, and a fountain, while all around the park stood imposing hotels, churches, and costly private mansions. Drew of course knew the brownstone from visits, and on June 1, 1857, bought it from Robinson's executors for \$60,000, and moved his family back to the city. Five years in Putnam County had been enough for him; New York was where he longed to be, had to be.

One of his prime concerns was the New York and Erie Railroad, whose recovery from its previous crisis had been thwarted by renewed blows from nature, man, and fate. First, the tunneling through a mass of solid rock called Bergen Hill—necessary to give better access to the new terminus in Jersey City—was swallowing up vast sums of money. Next, there was a ruinous strike by engineers. Then in January 1857, snowstorms that blocked traffic for days at a time were followed by riots of unpaid laborers and ice floods in the Delaware that swept away bridges which, rebuilt, were swept away again. Inevitably, the stock slumped in the market, its decline accelerated by the startling revelation in the *Herald* that, in late March of 1857, the Erie managers, desperate for money, had secretly sold five thousand new shares of stock through E. D. Stanton & Company, the brokerage house of Treasurer Drew. From a January

high of 63, Erie stock plunged to a June low of 30 and under, a circumstance that provoked in the company's treasurer not dismay but serene satisfaction. With his new partner Edmund D. Stanton (a former clerk of his), he had shorted Erie heavily in the market, and he now covered his contracts to take a profit of substantial proportions.

When news of these operations got about, certain Erie shareholders thought it not altogether seemly that the attitude of the company's treasurer to the company should approach that of a leech to its victim. Why should he be treasurer anyway, they pointed out, when he still had a hand in the People's Line, whose low fares let the debt-free New York Central offer a bargain rate that the Erie could not match? It was high time this fellow chose either his steamboats or the Erie.

Treasurer Drew was heartsore to hear such murmurings. Why, he was a good friend to railroads. Just a few weeks before, he and Vanderbilt had joined the Harlem board and together endorsed the notes of that troubled line to the amount of \$650,000. Could he do any less for the "Ayrie," which was desperate again to meet the interest on its floating debt? Certainly not! In late June he endorsed Erie's notes for \$1.5 million, so that it could obtain bank loans to meet its obligations. Of course, for this loyal gesture he took as security three separate mortgages on the company's engines, cars, land, tracks, bridges, piers, buildings, walls, fences, fixtures, and all other unmortgaged property, and for his name alone, an absolute guarantee with the banks, received \$25,000.

Alas, even as he was rescuing the railroad, another rate war with the Central broke out. Unfortunately for Erie, its only rail connection with the West was the little Buffalo and State Line Railroad, joining it at Dunkirk, which Erie and the Central had built jointly to connect with both. The Buffalo and State Line, however, was dominated by the Central, and in this new round of warfare refused to honor through tickets via the Erie Railroad and charged passengers who held such tickets double. Naturally, Erie shareholders were outraged. And who was one of the largest stockholders in the Buffalo and State Line Railroad? Why, none other than their very own treasurer! Wherever one turned, he seemed to have his finger in the pie, especially in pies inimical to Erie. Drew himself, however, showed proper indignation, promptly writing the Buffalo and State Line president on June 27 to protest against this policy, which continued regardless. To retaliate against the Central, on July 1 the Erie had to cut its rates once again.

With Erie's affairs fast deteriorating, the stockholders demanded changes at the top. For years now, as the *American Railroad Journal* and the *Herald* had long pointed out, the directors had waxed fat by looking each to his own private interests—Wall Street speculations, real estate deals, lucrative contracts, or rebates—always to the detriment of Erie. Homer Ramsdell, the president, was also a merchant, banker, and con-

tractor, while dabbling in land speculation on the side. Assailed by criticism, he now suddenly offered to resign, recommending as his successor Erie director Charles Moran, a New York banker of high reputation, who two years before had restored Erie's credit by placing its last big loan in Europe. Summoned home from abroad for consultation, Moran was urged by the board to take over. Reluctant, he agreed, but on condition that he receive the unprecedented sum of \$25,000 a year, matching the salary of the president of the United States. There were those who wondered if a railroad that often lacked funds to pay its laborers could afford a president at such a price, especially, as the *Herald* pointed out, a president who was just as ignorant as his predecessor of the practical workings of a railroad. The board, however, agreed, and on July 18, 1857, Moran became president, supremely confident that he could straighten out Erie's affairs.

What now of Treasurer Drew? With the departure of his good friend Ramsdell and the advent of Moran—who on the first day of his tenure arrived at his office at 6:00 A.M.—he sensed the chill breath of reform. Moran had roundly denounced the company's policy of obtaining special loans from individual lenders like Vanderbilt and Drew, which he thought disastrous for the company's reputation and credit. In addition, the treasurer was still under fire from stockholders for his divided loyalties. So Daniel reflected, if they wanted him to *git*, he would *git*. On July 20 he submitted his resignation as treasurer, at which news Erie's stock rallied on the market. But if treasurer no more, Drew was still thrice bound to the company as director, as speculator, and as mortgagee.

Meanwhile, if Erie had problems, so did the rest of the country. By July it was apparent that the nation's spring trade had fallen sharply, suggesting that the boom was at an end. Some observers like the *Herald* issued warnings, but public confidence remained unimpaired. Then, on the morning of August 24, 1857, the New York branch of the Ohio Life and Trust Company, an important and respected firm, announced that it had failed. This collapse, brought on by a cashier's embezzlements, hit Wall Street without warning, and stocks plummeted. Dangerously overextended, the New York bankers immediately contracted their loans, denying credit to customers whose operations depended on it. Since the New York banks were a source of credit throughout the country, the whole nation reeled with shock and dismay. It was the onset of the Panic of 1857, known otherwise as the Great Western Blizzard.

Within forty-eight hours of Ohio Life's suspension, seven New York country banks failed. Stocks declined, the banks continued to tighten up on credit, rumors of failures proliferated, and by September those rumors became failures in fact. Writing in his diary of the grim battles being fought in counting rooms, offices, and bank parlors by his dis-

tressed contemporaries, the New York lawyer George Templeton Strong expounded puritanically:

They are fighting hard for the grand, ugly house in the Fifth Avenue; for the gold and damask sofas and curtains that are ever shrouded in dingy coverings, save on the one night of every third year when they are unveiled to adorn the social martyrdom of five hundred perspiring friends. They are agonizing with unavailable securities, and pleading vainly for discount with stony-hearted directors and inflexible cashiers, . . . that they may still yawn through *Trovatore* in their own opera boxes; that they may be plagued with their own carriage horses and swindled by their own coachman instead of hiring a comfortable hack when they want a ride.³

But they were fighting for much more than that—for the hopes, dreams, and illusions of a generation; for the assurance that their lives were more than flotsam in a storm; for the belief that progress was not just a game, a slick promotion, that they had not simply gambled and lost.

Amid this atmosphere of chaos and calamity, the new president of Erie proposed nothing less than a fourth mortgage loan of \$6 million. At a meeting of stock and bondholders in New York on September 23, Moran expounded the company's perilous situation, warned that under his mortgages Drew could now seize the road at any time, lauded Erie's potential, and appealed to the assemblage to subscribe to the new issue of bonds. By October 1, when Erie's stock, which had once sold in the nineties, was down to 10, subscriptions totaled \$600,000—a far cry from \$6 million. Inevitably, on October 10 Erie joined the host of firms that had failed in their obligations. His back to the wall, Moran summoned the stock and bondholders to yet another emergency meeting.

By now, the panic had reached climactic nationwide proportions. Since the government held determinedly aloof (President Buchanan was convinced that he lacked authority to act), all eyes turned to New York, where the leading banks insisted that they would not suspend specie payment, even as the weaker banks were closing. Then on the morning of Tuesday October 13, the panic burst. As rumors of bank closings spread throughout the city like wildfire, distraught depositors scribbled checks and rushed downtown, and holders of paper money cleaned out their money boxes, cash drawers, and tills, and all hastened on foot or jammed the Broadway omnibuses in a wild dash down to Wall Street, where they scurried up the steep steps of banks to find out what hard-metalead reality, if any, lay behind those tall doors flanked with Grecian columns. Called upon to pay out hundreds of thousands of dollars worth of gold, bank after bank suspended. By now all Wall Street, from Water Street to Broadway, was jammed with depositors and spectators, the crowd orderly, never violent, but gripped with fear, anger, disbelief, and

stupor. By 3:00 P.M. eighteen banks had suspended, and that evening the remaining thirty-three announced that, by mutual agreement, specie payments had been suspended by every bank in the city. Sober men approved, and a sense of relief came over everyone. Since the worst had happened, matters now could only improve.

The crowds thronging Wall Street at the height of the panic included men of moderate means, little means, and no means. Were the giants of finance there as well? The newspapers do not say, but a painting executed some months later, and noted for its accuracy of detail, shows a throng of capitalists in shiny top hats gesturing and talking earnestly on the sidewalk outside the Merchants' Exchange at exactly 2:30 P.M. of the fatal day, among whom Cornelius Vanderbilt and Jacob Little have been identified. Quite possibly Drew was also on hand, lured from E.D. Stanton & Company's nearby office at 22 William Street to witness all around him and to imprint on his bearish sensitivity that shrill peak of crisis when confidence and sanity are shattered, currency becomes mere paper, and the only thing that counts is gold. Yet if Drew was there, he was certainly one of the coolest on the scene, for he was not excitable by nature or inclined to fret. Indeed, when a friend asked him during this period if he could "sleep in these times" he answered, "I've never lost a night's rest on account of business in my life!"⁴

Daniel Drew slept easy while others lost their shirts and their dreams, because he himself was no dreamer and had never lived high on the hog. Neither of his steamboat companies was burdened with debt, while in the market his bearish inclinations probably kept his losses to a minimum. At a time when trust had almost vanished, his credit was intact, his signature a sterling guarantee.

In October 1857 Drew's solvency seemed to offer little hope to the Erie, whose shareholders bore in mind President Moran's warning that under his three mortgages Drew could seize the road at will. To be sure, Drew had rescued the Erie in the past, but not in times like these. Besides, since his last major act of largess, the stockholders had been so indiscreet as to oust him as the company treasurer. What could they expect now from this master of veiled purposes and mixed loyalties, this genius of manipulation? He held the company in the hollow of his hand.

On the evening of October 28 the Erie stock and bondholders trooped again to an emergency meeting, this one at the Mercantile Library in Astor Place. There the chairman of the finance committee reviewed the company's desperate condition, defended the president's out-sized salary, and then announced that Daniel Drew, far from foreclosing as some had intimated, had assured him that if the company could pay him \$1 million toward canceling that much of his endorsements, he would cheerfully—yes, *cheerfully*—take the remaining \$500,000 in

those fourth-mortgage bonds that the company was having a devil of a time getting rid of. Applause burst forth, as joy and relief enveloped the assembly. A resolution was quickly passed expressing confidence in the board of directors, "and especially Mr. Drew," who for the company's sake had incurred such vast liabilities. Daniel Drew was the best friend a railroad ever had.

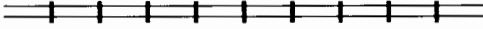
For corporations, it was a time when friends were not easy to come by. Throughout the country—with specie payment suspended, construction halted, trade at a standstill, and tens of thousands out of work—the spirit of go-ahead had at last been stopped dead in its tracks. Along Broadway in New York, shells of buildings loomed frozen in mid-construction, while radical agitators fomented a march on city hall by the jobless and a mob attack on the subtreasury that was thwarted only by the intervention of the military. Meanwhile, getting no aid from Washington, decent citizens looked for help from on high. Church attendance rose, revivalism revived, and the *Journal of Commerce*, when advised of a newly instituted noonday prayer meeting for businessmen, urged its readers to

Steal awhile away from Wall Street
and every worldly care,
And spend an hour about mid-day
in humble, hopeful prayer.⁵

With time, stock prices recovered modestly, bank deposits rose, and gold flowed in from California and Europe, so that on December 12 the New York banks resumed specie payment, to be followed by the rest of the country. The panic was over, but the depression lingered. Hard hit, the commercial North recovered vigorously, yet remained shaken by "the late revulsion." The agrarian South, having suffered less, declared that "Cotton is king!" and predicted that if it came to an armed conflict over slavery, she would win.

On Wall Street the panic proved a watershed, a great winnowing out of fortunes and men. Down to ruin had gone the trusting, the overconfident, the careless, the tired, and the unlucky, while the shrewd and the unscrupulous survived. Among the victims was Jacob Little, who in the course of a year had failed and resumed, failed and resumed again, his fortune ebbing as he overstayed his genius or his luck. The young English-born broker Henry Clews, who had just forced the Stock Exchange to accept him as a member, saw the Great Western Blizzard as sweeping away old fogyism and making room for a younger element—presumably, men like himself. To the fore now pressed the leaders of the decade to come—bold, aggressive "Young America," like Daniel Drew, aged sixty.

CHAPTER 9



Wartime

In 1860 Daniel Drew was a director of three railroads, the president of two steamboat companies, and a trustee of three Methodist institutions of higher learning. For a millionaire he dressed soberly, although he spruced up for church on Sundays or a Matthew Brady photograph and could be seen in the streets, sometimes in a coach and sometimes in a calash, driving a stylish pair of bays with a plated harness and making, as the *Herald* put it, “a very fine show.”¹ His residence at 41 Union Square was likewise impressive: a high-stooped, three-parlor brownstone that, when such embellishments became the rage in the sixties, he adorned with balconies and with a mansard roof featuring ornate dormer windows and a picturesque iron cresting on the top. Yet he never affected the sumptuous life style of many money kings, being still too much the frugal farm boy, the drover, the Methodist.

For the Methodists, indeed, he was the ideal layman benefactor, goodhearted, unobtrusive, generous, and a major contributor to their missionary funds, charities, and schools. In 1857, when the Mulberry Street Church congregation had decided to remove from their deteriorating neighborhood to a more fashionable site uptown, Brother Drew donated heavily toward the new edifice. The result, dedicated in May 1858, was St. Paul’s Methodist Episcopal Church, a massive white-marble Romanesque structure at Fourth Avenue and Twenty-second Street, topped by a towering spire. Here the city’s wealthy Methodists flocked to worship in comfortable pews, amid surroundings far more indicative of their sect’s flourishing, genteel present than the severity and zeal of its past.

At the time of the removal, Drew's pastor was Dr. John McClintock, a brilliant scholar and educator, although infirm and inclined to hypochondria, whose fervent eloquence in the pulpit attracted multitudes and made the new church an immediate success. Becoming a close friend of Drew and his family, McClintock discovered in this homespun financier, so unlike himself in background, occupation, and temperament, a classic instance of the American self-made man, further enhanced in his eyes by piety, humility, and charity, as well as a robust health that he probably envied. In order that this first Methodist millionaire become a beacon unto others, McClintock took it upon himself to interview Drew and write a biographical sketch of him that appeared, with a portrait, as the lead article in the September 1859 issue of the *Ladies' Repository*, a Methodist monthly of wide circulation. In this article McClintock proclaimed the man of commerce as the hero of the age, and Daniel Drew as a model of the type, a flattering portrait to which Drew himself contributed no little through a tactful silence regarding such matters as his desertion from the militia in 1814, his brief circus career, the betrayal of the *Water Witch* stockholders, *Monteath v. Newton* and other legal embarrassments, and the mores of Wall Street. Inevitably, Drew emerged as a paragon of virtue, a "living example of peaceful and yet active piety."² The good doctor had been just a bit taken in.

Now in his sixties, even Drew conceded that it was time for honor, in the form of a crack new sidewheeler that would bear his name. He was president now of the New Jersey Steamboat Company. Isaac Newton, his steamboat partner of eighteen years, had died in New York on November 22, 1858—his passing hailed on the day of his funeral by flags at half mast in the harbor, and in Albany by tolling ships' bells, and artillery on Steamboat Square that fired salutes for an hour. With Newton gone, some river men and members of the public may have wondered if the new president, even with Capt. Alanson P. St. John as superintendent and treasurer to back him up, could maintain the company's prestige. As if to answer them and to serve notice that the People's Line would no longer renounce the day business to rival boats and the railroad, Drew contracted with the shipbuilder Thomas Collyer of New York for a new day boat to be named for himself.

Built in 1860 with the specific aim of outstripping all other river vessels in accommodations and speed, the 670-ton *Daniel Drew* did exactly that. Since the day boat *Armenia* was considered the fastest on the river, Drew immediately challenged its owner to a race. On June 4, 1860, in a run without passengers to Newburgh, the *Daniel Drew* beat her rival by seven minutes and was proclaimed the swiftest boat in the country. All

summer she ran between New York and Albany, making excellent time, and on October 13, on her last through trip of the season, claimed a record running time of six hours and fifty minutes, an astonishing performance for a steamboat. Drew had made his point, that even without Isaac Newton the People's Line was still number one.

He yearned for a further accolade. That summer and fall the nineteen-year-old Prince of Wales, who later reigned as Edward VII, was touring the United States well chaperoned by a platoon of British peers, enduring with good grace the boisterous acclaim that democratic America always showered upon distinguished foreign guests. Of course he would pass through New York, and of course New York, which had hailed Lafayette, Dickens, Jenny Lind, the Erie Canal, and the Atlantic cable with enthusiasm, would give him the heartiest of receptions. Already city officials were preparing welcomes, the firemen a torchlight parade, the socially prominent a fancy dress ball. It occurred to Drew that as the owner of the newest, fastest, best boat on the river, he might place it at the prince's disposal and capture his illustrious person for the entire trip up the Hudson via West Point to Albany.

It was a daring idea; perhaps he got carried away. He offered the boat gratis to the mayors of New York and Albany and, upon learning that his offer was accepted, engaged Charles A. Stetson, the proprietor of the Astor House, to provide a splendid collation, and invited a hundred guests. On Thursday October 11, when the U.S. revenue cutter *Harriet Lane* brought the royal party over from New Jersey, Drew was on board as a member of the Committee of Invitation along with other dignitaries, and so got his first glimpse of the prince in the scarlet uniform of an English colonel. The prince then proceeded up Broadway to be acclaimed by a crowd of two hundred thousand. On the following evening he was honored by a grand ball at the Academy of Music, a glittering crush beneath which a section of the floor collapsed, while ladies who despaired otherwise of contact with the princely presence so contrived, it was said, to bump, jostle, squeeze, and pinch him, that his alarmed attendants almost whisked him away. Such was the spell cast by this lion of lions, in anticipation of whose visit fresh carpets were being laid on the *Daniel Drew*, cabin paintwork touched up, and new crockery supplied, while Stetson put in several days preparing his collation. The most gala of entertainments was anticipated.

Suddenly, late on Sunday the fourteenth, the very eve of the event, the Duke of Newcastle announced, courteously but firmly, that the invitation could not be accepted. It was the policy of the royal party, he explained, to pay its own way; they would travel by the *Harriet Lane* as far as West Point, and only thereafter by the *Daniel Drew*, without guests and at their own expense. Why the sudden change in plans? Ru-

mors abounded, some alleging a difficulty between the duke and Mayor Fernando Wood of New York, while others said someone had warned Newcastle that the excursionists would include, self-invited, the entire New York City Common Council, certain uncouth members of which would bring the party into disrepute. Whatever the reason, Drew had to cancel the whole affair at once, to the intense disappointment of his guests. In compensation, however, he got the royal party to agree to tour his steamboat *New World*, which he then sent up specially to Albany. It is quite conceivable that, unknown to the foreign visitors, he had loaded it up with his disinvented guests, who thus still hoped to get a crack at the prince. And as the *Daniel Drew's* owner, he himself, with his family, could hardly be barred from the boat.

So it was that on the morning of Tuesday October 16, 1860, the *Daniel Drew* lay waiting at a wharf near Cozzens' Hotel, about a mile below West Point Academy. There in the late morning it received the royal party, who the day before had inspected the academy installations. A crowd had gathered, flags were displayed, and when the cadets' band rendered "Home, Sweet Home," an earl in the suite dabbed his eyes and the embarking prince sighed heavily. What minimal greeting passed between Drew and his guests has not been recorded. All the way up the Hudson the royal party marveled at the frost-nipped autumn foliage, while bunting-bedecked boats saluted them with screeching whistles and clanging bells, as at landing after landing the prince was hailed by flags, booming cannon, and the shouts and waving handkerchiefs of multitudes.

Regarding the prince's own actions, however, two accounts exist. According to the newspaper reports of the day, the youthful prince, more boyish than his portraits indicated, appeared on deck wearing a dark blue frock coat with a velvet collar, a black beaver hat, and yellow kid gloves, and bowed gracefully to the repeated ovations. According to a tradition of Drew's own family, on the other hand, a story still told by his descendants today, during much of the trip to Albany the real prince lay indisposed in his cabin below, while on deck his place was hastily assumed by Drew's own son Billy, then sixteen, who bore a striking resemblance to the prince and bowed grandly to cheering crowds who never knew the difference.

At Albany the real prince was greeted by yet another exuberant reception. There, the *Daniel Drew* pulled up alongside the *New World*, which lay between it and the dock, an arrangement that, whether by chance or calculation, exposed the prince to the *New World's* swarm of visitors. The prince, however, having grasped the situation at a glance, canceled his tour of the *New World* on the spot, strode across its deck to the dock, stepped into a carriage with the mayor, and drove off amid the

cheering of multitudes. So ended Drew's first and only brush with royalty.

The visit of the Prince of Wales had afforded but momentary distraction from the impending national crisis. In November 1860 Abraham Lincoln triumphed in the national elections, whereupon one by one the Southern states seceded. Fearful of losing the vast sums that Southern merchants owed them, New York businessmen urged compromise. In April 1861, however, when Confederate batteries fired on Fort Sumter and the new president issued a call to arms, New York City poured forth men and money, the Stock Exchange passed resolution after resolution of loyalty, and Horace Greeley's *Tribune* announced exultantly, and prematurely, that a "sordid, grasping, money-loving people" had been redeemed by patriotism.

What was Daniel Drew's reaction in the wake of Sumter, when flags appeared everywhere, recruiting stations proliferated, baggy-trousered Zouaves with fezzes strutted in the streets, and on April 20 one hundred thousand citizens—reputedly, the largest assemblage ever seen on the continent—convened just across the way in Union Square to march, cheer, and orate in defense of the Union? Even in this feverish atmosphere, one suspects that his patriotism burned with a low, small flame. He was not one for huge enthusiasms, nor had the slavery issue ever wrenched his vitals. Although his friend John McClintock and other leading Methodists had long been abolitionists, throughout the 1850s he had remained preoccupied with business, and like most businessmen—especially in New York, with its strong commercial ties to the South—had probably deplored war talk as the rhetoric of extremists. Now, however, the war had come and of course he was routinely loyal, but no hothead, and immune to incandescent fervors.

Just as incombustible were his family, not one of whom succumbed to martial ardor. His young son would soon marry and live snugly as a gentleman farmer in Drewville, while his grandson entered Wall Street, and the husbands of two granddaughters likewise cleaved to business, none of them fearful of the draft legislated in 1863 since, if summoned, these affluent young men could buy substitutes. Nor was such an attitude uncommon, least of all after the North's initial burst of zeal had deflated. As the war dragged on over the months and the years, vast segments of the Northern mercantile classes stuck to their conviction that enlistment was for greenhorns and fools.

Not that they were indifferent to the war. The Union forces required uniforms, arms, munitions, and bunting, to supply which factories worked to capacity, new plants sprang up, and railroads were strained to the utmost, their revenues soaring. Contractors reaped unbelievable

profits, some of them by supplying pasteboard shoes, shoddy uniforms, rotten blankets, tainted pork, and glued knapsacks that came apart in the rain. Begotten by this boom was a new wave of parvenus who gloried in imported luxuries and liveried servants, the so-called shoddy aristocracy, especially conspicuous in New York. Parading down Fifth Avenue on Sundays or in shiny equipages in the new Central Park, the women displayed brocaded silks and thousand-dollar camel's-hair shawls, while their escorts sported velvet coats, gold chains, breast pins, and rings as ample proof that war could be a very good business.

For steamboat men, the conflict was a godsend. With the military desperate for vessels to convey seaborne expeditions, all kinds of old hulks could be patched together, dusted off, and chartered or sold to the government. In 1862, when McClellan's Peninsula Campaign against Richmond required vast quantities of shipping, Drew chartered the *Knickerbocker* and the *Commodore* to the Quartermaster's Department, receiving for the first seven hundred, and for the second eight hundred dollars a day, which was not a bad rate for two vessels, aged nineteen and fourteen years respectively, that were nearly obsolete. A half interest in another such, the old People's Line boat *North America*, was acquired in 1861, probably with help from Drew, by his twenty-two-year-old grandson Daniel Drew Chamberlain, the co-owner being none other than Capt. Joseph W. Hancox, the pistol-flaunting skipper of the *Napoleon*, who after two decades on the river was as feisty and mettlesome as ever. On several occasions the two owners leased their boat to the government, then in 1863 sold it outright to the Quartermaster's Department for \$55,000, no small bit of luck (if luck it was), since only three months later it was condemned as unseaworthy in Louisiana and destroyed there.

But what were these transactions, compared with those of the Commodore, who in 1861 chartered four steamships to the desperate government at the astonishing rate of two thousand dollars a day? Subsequently Vanderbilt incurred stiff criticism in Congress when some vessels hired by subordinates of his for an expedition to New Orleans proved so decrepit that they nearly sank on the way. Not that Vanderbilt's loyalty or courage were in question. At Lincoln's personal invitation, in March 1862 he undertook to destroy the much-feared rebel ironclad *Merrimac*, based at Norfolk, by ramming her with his unarmored steamship *Vanderbilt*, an encounter that the *Merrimac* avoided, but which, had it occurred, would probably have resulted in the obliteration of either the *Merrimac* or Cornelius Vanderbilt.

Flimsy uniforms and old vessels—dealing in these, as wartime profits went, was tame. For excitement, there was gold and securities.

Gold was hoarded from the outset of the war by a public beset with

uncertainties, in consequence of which specie payment was stopped by both the banks and the government. Then, unable to sell its bonds to the public and pressed by creditors, the government began to issue greenbacks: paper currency unsecured by gold, backed only by the credit of the government, in effect, money by fiat, that starting in February 1862 flooded the country to inflate the currency, raise prices, and stimulate business. Instantly, Wall Street took note. Gold was esteemed but in hiding, whereas the greenbacks were plentiful but dubious, their value dependent on a Union victory that would let the government redeem them in gold, whereas in the event of defeat they might be repudiated. The relative value of the greenbacks and gold, then, must fluctuate inversely, varying with the military fortunes of the North. In terms of greenbacks, in other words, gold would fluctuate just like a stock or a commodity, and one could trade in it. *Gold!* The very word made the blood race, the brain quicken. Excitedly, even as armies clashed and bled on the battlefields, Wall Street initiated the most dramatic of its wartime operations, the speculation in gold.

By the third year of the war, Daniel Drew was up to his ears in it. How could he not be, when every fresh bulletin from the battlefields sent the price of gold plunging or soaring, and fortunes that had once been amassed over decades or years could now be made in months, weeks, and days or lost in hours or minutes? How could he not, when a federal law designed to suppress the speculation backfired and had to be repealed? The gold traders, driven from the Stock Exchange, took refuge in an ill-lit den called the Coal Hole, then in Gilpin's News Room nearby, and finally, by the war's last winter, in a home of their own called the Gold Room. There, packed masses traded frantically while outside on the street, ankle-deep in slush, more speculators gathered, their eyes riveted on an overhead price indicator, to whose fluctuations they had pinned their fortunes, their dreams, and their sanity.

Drew of course was not among them. Dry-shod and snug, he operated from a cozy back room in his broker's office in William Street, where messenger boys rushed in with the news and out with his orders. In speculating, he relied on his instincts as a bear, shorting gold when others were bulling it. In the process he seems to have forgone the ultimate finesse of certain operators, who planted agents at the front to wire back the battle news at once and so achieved an intelligence network on both sides of the lines that far surpassed those of the armies. Perhaps such indifference to technology worked to his detriment: in February 1863, when the price of gold climbed to 172½, meaning that to buy \$100 in gold certificates required \$172.50 in greenbacks, Drew suffered losses said to amount to half a million dollars. At this point other bears settled their contracts and retired from the field in defeat, whereas Drew stuck

to his campaign. Thereafter, in the wake of unexpected Union victories, gold fell for several months, permitting Drew to recover much of his losses. Ironically, since to short gold was to hope for a Union success, in these operations he had assumed the stance of a patriot.

Such patriotism did not impress the president in the White House. "What do you think of those fellows in Wall Street, who are gambling in gold at such a time as this?" he asked Governor Andrew G. Curtin of Pennsylvania in April 1864. "They are a set of sharks," replied Curtin. "For my part," said Lincoln, banging his clenched fist on a table, "I wish every one of them had his devilish head shot off!"³

Not gold, however, but the stock market was the hub of Drew's existence. After a brief panic at the war's outbreak, followed by months of doldrums, in 1862 it snapped to life with the first Union victories, and for the balance of the war churned with the same speculative fever that raged in gold. Lured by tales of riches, outsiders flocked to Wall Street—merchants, clerks, waiters, steamboat captains, dowagers, and clergymen—and as volume surged, exchanges multiplied until there were markets for gold, mining stocks, and petroleum issues, an Open Board that provided continuous daytime trading of stocks, countless minor fly-by-night markets, and a number of evening exchanges that gave to New York, alone of all the cities in the world, facilities for trading stocks twenty-four hours a day. Successful speculators learned to dine regularly at Delmonico's on partridge stuffed with truffles, but only too often were seen a few months later shuffling in seedy clothes, breakfasting on hash and coffee, or panhandling. It hardly mattered, because for every warrior who perished on the Wall Street battlefield, there were a dozen fresh recruits to take his place.

No one colossus overstrode the market, as Jacob Little had in his day, but a set of lesser titans inspired it: the genial, high-living Leonard Jerome; his elder brother Addison, who in 1863 was hailed as the Napoleon of the Open Board; Henry Keep, a master of pools, who lived up to his name by retaining all his fortune to the end; and above all Anthony W. Morse. A jaunty redheaded adventurer of small stature and huge daring, for one solid year Morse set the market ablaze with his spectacular corners in rail stocks, only to be wiped out in a single disastrous operation in Fort Wayne, following which he vanished from the Street, took to gambling, fell sick, and died months later in a shabby rooming house whose landlady, it is said, refused to surrender the body until some of his old friends paid the rent.

These men and their followers were mostly bulls. From 1862 on, the bear contingent congregated daily in William Street, roosting on iron railings in the sun or standing about dolefully (the market was not being

kind to them) near the entrance to Number 15, the offices of David Groesbeck & Company, their headquarters. There, toward late morning, their acknowledged leader arrived in his one-horse chaise, a tall, stooped gentleman dressed drably in an ordinary suit, who when he alighted walked with a catlike tread. His pinched face—square, with high cheekbones—was a labyrinth of wrinkles, out of which shone twinkling steel-gray eyes charged with vitality and cunning. In appearance he struck contemporaries variously as a hardheaded old farmer, a cross between a cartman and a petty tradesman, and a country deacon or, since like the rail-splitter in the White House he had renounced the cleanshaven look of the fifties for a fringe of whiskers, as a dishonest Abraham Lincoln. No one would have called him handsome; some thought him ugly or grotesque. In witness of his age, Wall Street now referred to him as Uncle Daniel (he himself addressed younger men as “my son” and “sonny”), “uncle” being a term of affection widely used for elderly rustics at the time, although in this case with a tinge of irony. Probably he did not mind the name, and for his own purposes even played the part a bit. Nicknames in fact seemed to stick to him; he was known also as the Old Man, Ursa Major, the Old Bear, and the Deacon.

Groesbeck & Company had been set up by Drew in 1862 expressly to serve as his brokerage house, following the semiretirement of Edmund D. Stanton, his partner of the 1850s. As a new associate, David Groesbeck, called Grosy by his customers, was a natural choice, having worked for many years as a clerk in the office of Jacob Little, who then had launched him in an office of his own, that he might assist Little in his operations. Trained in bear techniques by the master, Groesbeck had both won and lost heavily, and by now he was quite content to amass profits strictly through commissions. Although Drew himself was not a member of the firm, the junior partners included his grandson Daniel Drew Chamberlain, who had just graduated from New York University (the first college graduate in the family), and William W. Everett, a Putnam County farmer’s son who had married Drew’s eldest granddaughter. Whenever possible, Uncle Daniel liked to keep things in the family.

Groesbeck’s offices consisted of four snug rooms. The customers gathered in one room, or for congratulations or discreet consoling were summoned into another small one on the side. Behind a railing in a third room a half dozen clerks sat computing, and there too, in quiet moments, the firm’s junior members, all sporting young gentlemen, could be seen strolling about “talking horse.” As for Ursa Major, in times of heavy trading his presence was indicated by a steady stream of visitors in and out of a small room in the back, whence emanated clouds of cigar smoke and where, at intervals, he could be glimpsed through a half open door sitting cross-legged on a sofa, closeted with Grosy or an Erie direc-

tor, or perhaps some eminence of the Street. In this little back room at Groesbeck's, schemes and speculations were ripened, pools formed, corners conceived, and rumors hatched and circulated. Here too Uncle Daniel sold "puts" and "calls"—contracts that let the holder sell to Drew or buy of him, respectively, given amounts of a stock—and here the esoteric "straddle," consisting of a put and call combined, may have first been offered, since Drew claimed to have invented it. But when not engaged in such arcana, the Old Bear could be seen puttering about in the offices, making occasional homely comments in a twang, or humorous remarks punctuated with short bursts of a hen-cackle laugh. Indeed, in all his operations he kept in mind the fun of the thing, thus earning himself yet another nickname, the Merry Old Gentleman of Wall Street. Obviously, like most Wall Streeters, he had marvelously adjusted to the war.

By the spring of 1863 the Merry Old Gentleman had his eye cocked most seriously, although intermittently, on the stock of the New York and Harlem Railroad, which having sold at 9 in 1860, had recently begun to rise, touched 61 in April, then fell back, rose, fell, and rose again. Wall Streeters were mystified, for they had long considered Harlem stock the tiredest of fancies, its certificates fit only for wrapping paper. The railroad had always been unprofitable because its roundabout route to Albany traversed a rural area providing little business and because it was surpassed by the Hudson River Railroad in speed and by the steamboats in economy of fare and comfort. Yet obviously there was something behind the stock's new vitality, and as an insider Drew knew that the something was Cornelius Vanderbilt.

Drew and Vanderbilt had first joined the Harlem board in May 1857 in a financial rescue operation that had failed to turn the railroad around. Thereafter, Vanderbilt had shown but little interest in the road and rarely attended the meetings of the board. By late 1862, however, in the most dramatic turn of his career, the Commodore began shifting his attention from shipping interests to railroads, and he discerned in Harlem a mismanaged property that, if reorganized, could surely become profitable. Since the Harlem was already operating horsecars below Twenty-sixth Street at a profit, and since its charter gave it the right, subject to the approval of the New York City Common Council, to lay tracks anywhere in the city, it occurred to Vanderbilt that operating a horsecar line down the full length of Broadway might transform this ailing railroad into a gilt-edged property. Under his leadership, in March 1863 the Harlem directors opened secret negotiations with the Common Council, a body whose talent for corruption was boundless, as a result of which the city fathers joined the Vanderbilt clique in purchasing the stock, which

surged to 75 when the council approved the Harlem's street franchise petition in April, and to 116 in May, when at the annual election the Vanderbilt party took over the company and elected the Commodore president.

This transformation of the despised Harlem stock into one of the hottest issues on the market must have been watched by Drew with interest. Probably because he had other fish to fry—gold, for instance, and Erie—he had not joined forces with the bulls, although at the election he voted his modest 505 shares for Vanderbilt and was himself reelected a director. Now, however, with Harlem at 116, he surely yearned to sell the stock short. He did not, but there were others who did. Having rushed to take their profits, the city councilmen, in hopes of another scoop on the down side, shorted Harlem and then rescinded the franchise, a colossal double-cross of the Commodore, who avenged himself by cornering the stock and driving it ever upward through July even as Vicksburg surrendered, as Lee was being repelled at Gettysburg, and riots against the draft convulsed the city. In August the bleeding bears settled their contracts with disastrous losses, while Harlem peaked at 179. So ended the First Harlem Corner, with profits to the Vanderbilt camp of at least one million dollars.

Like the rest of Wall Street, Drew must have marveled. In his very first crack at the Street, Cornele had shown the touch of a master. Furthermore, the Commodore had also joined with some friends of his to smash a second bear attack, this one on the Hudson River Railroad, whose stock they hoisted from 123 to 180 in another huge massacre of shorts. And this from a fellow who claimed he was not even a speculator and whose advice to others was, "Don't you never buy anything you don't want, nor sell anything you hain't got!"⁴—which would rule out half the dealings on the Street! So the Commodore had marched onto the Old Bear's stomping ground and put himself at the top of the heap.

Having avenged himself on the shorts, Vanderbilt settled down to the serious business of reorganizing a railroad (and incidentally watering its stock). In mid-October, however, Harlem stock plunged to 93 when the State Supreme Court ruled that the projected Broadway line was not an extension of the Harlem but an independent route not covered by the Harlem's charter. To build his line, then, the Commodore would have to apply to the state legislature, an institution every bit as graft-prone as the council. Apply to it he did, dispatching well-heeled lobbyists to Albany whose suasions had the desired effect: early in 1864 the coveted Broadway railroad bill was introduced in the Senate. Thereafter, when the Senate Committee on Railroads opened hearings, what could Uncle Daniel do, as a loyal Harlem director, but accompany four fellow board members to Albany where on March 15, testifying before the commit-

tee, Vanderbilt's son-in-law Horace F. Clark proclaimed the Broadway railroad "an imperious public necessity." Swayed by Vanderbilt's attentions, the committee seemed inclined to agree, so much so that certain lawmakers joined Vanderbilt's friends in purchasing the stock, which having sold at 90 in January, by March reached 149. Wired by his agents that all was going well, the Commodore looked for a price of 200.

Meanwhile Drew reflected: Harlem was at 149! This worn-out fancy that he had known to trade at 50, at 30, at 9, even at 3, was sustained by one thing only—high hopes for its last chance at the franchise. He longed to sell it short and send it tumbling, but if he did so, it would make muddy water between him and the Commodore. Not for years had they tangled head-on. Quite the contrary, together, they had transformed the Stonington and rescued the Harlem itself and the Erie, teaming up so often that other railroad and steamboat men knew that to enlist the aid of the one was usually to get the help of the other. Such a relationship with the nation's biggest money king was not to be tossed away lightly. Then too, they were old friends, cronies. Why, he had even named his own son for Cornele's eldest! And finally, he knew the Commodore's wrath. Countering these forceful arguments, what was there but the pure joy and profit of a coup, reinforced perhaps by a further teasing thought: it was time Cornele got a twist in the market. In the scales of his mind, then, when balanced against pure joy and profit and the teasing thought, how did loyalty, friendship, and prudence weigh up? Like feathers. Of course he would sell Harlem short!

Others were like-minded. Perhaps Uncle Daniel put out feelers to them even while in Albany, or perhaps he joined the campaign later. In either case he reinforced a powerful army of bears that included his fellow Harlem director Addison Jerome, who after huge losses in the market was desperate to remake his fortune; President Erastus Corning and Superintendent Chauncey Vibbard of the New York Central Railroad, who hoped that by depressing Harlem stock they could facilitate a takeover of Harlem by the Central; certain legislators; and the powerful Republican politician Thurlow Weed. The original conspirators agreed that all would short Harlem in the market, following which the legislators would see to it that the Senate committee's report on the bill was negative. Thus the statesmen of Albany were undertaking against Vanderbilt precisely the maneuver that their confrères in Gotham had attempted just one year before, the results of which had prompted Wall Street to coin a new saying, "He went short of Harlem," to indicate that a man had been ruined. That this new team of short sellers so blithely disregarded the fate of their predecessors can be explained only by Ursa Major's inherent and persistent bearishness, and hubris inflicted by the gods.

About the third week in March, the legislators who held Harlem

stock took their profits. Then, joining with the other bears, including fellow legislators and officers of the Custom House whom they had generously let in on the secret, they proceeded to sell Harlem short. On March 23, contrary to the general expectation, the Senate Committee on Railroads reported the bill adversely. Two days later, with Harlem hovering at 136, the chamber voted 27-2 to accept this negative report, while in the Assembly a similar bill was sent to committee, to gather dust until the end of the session. Harlem's friends were aghast; the stock sank to 101.

Caught unawares by this second double-cross, Vanderbilt was furious. If Daniel Drew wanted to go against him in the market, that was *his* business; he'd just as soon take money off of Dan'l as off of any man. But the legislators—*that* was something else again. Why, they were bought-and-paid-for allies! Against them, his rage waxed hot. They had betrayed him, therefore he would break them. And if Drew got in the way, by God he would break him, too!

Immediately he sent for his old friend John M. Tobin, a former gate-keeper at the Staten Island ferry house, who through recent speculations and bluff—on the Street he had hinted mysteriously of connections with Vanderbilt—had parlayed a small sum into \$3 million. A bull in the First Harlem Corner, Tobin is said at that time to have wandered about Wall Street looking haggard, while his friends whispered that he was overcome with anxiety because of his heavy holdings of Harlem, thus prompting the bears to step up their short sales imprudently. In 1864 Tobin was a Harlem bull again, and like Vanderbilt a victim of the bears.

"They stuck you too, John," said Vanderbilt. "How do you feel about it?" Although obviously unhappy, Tobin said that he had no losses unless he sold. "Shall we let 'em bleed us?" asked Vanderbilt. "John, don't them fellows need dressing down?" Tobin agreed that they did. "Let's teach 'em never to go back on their word again as long as they live. Let's try the Harlem corner!"⁵

So they agreed to corner Harlem again, Tobin supplying a million and the Commodore and some other men the rest. Since Vanderbilt's approach to the stock market was the same as his technique for getting a steamboat up a rock-filled jungle river—make sure you can do it, then full speed ahead—orders went out to his lieutenants at once to buy all the Harlem offered, whether on seller's or buyer's option, for cash or otherwise, but *buy!*

Meanwhile the bears, reluctant to take profits when the stock had hit 101, held on for lower prices and continued to put out shorts. Under the barrage of Vanderbilt purchases, however, the stock began to go up—by April 6, to 156. Every day the tall, lithe form of Tobin was seen at the wildcat Public Board or in the street, his face pale with excitement and his eyes ablaze, buying thousands of shares of Harlem.

"No feeling, John!" shouted the stubborn bears, as the stock surged. "I'll make you feel!" cried Tobin.⁶

Above 150 the bears began to feel, and acutely, for it was around that price that they had first begun to sell short. By now Leonard Jerome had joined the Vanderbilt camp, playing the opposite side of the market from his brother Addison, while the anxious bears, still shorting, squelched incipient doubts with the knowledge that Uncle Daniel, the shrewdest of the ursine persuasion, had contracted to sell 30,000 shares of Harlem in the form of "calls": thirty- or sixty-day options permitting the holders to demand from him a certain amount of the stock at a given price. Naturally he had sold the calls expecting the stock to decline below the price stipulated, in which case the calls would be of no use to the holders, who would be out the price they had paid for them. However, since calls sold by operators of proven means were often used by the holders as margin to sell the stock short, Drew had in fact extended his credit to others, in the amount of millions, to continue selling Harlem short. Accordingly, his calls were snatched at by bulls and bears alike, the first in order to hold them for a rise, and the second to use them as margin. For a while, Harlem short sellers were legion. Big-time and petty speculators, insiders and outsiders, and even sober brokerage houses rushed to get in on the game, so that a broker with Harlem stock on hand could lend it for short sales at any hour of the day.

Unflinchingly, Vanderbilt and his friends continued to take every share offered, pushing the price up to 190. Then in mid-April, in an attempt to squelch the speculation in gold, Secretary of the Treasury Salmon P. Chase came to New York to sell millions in gold and lock up greenbacks and in the process precipitated a panic in stocks. In the face of this unlooked-for crisis, even Vanderbilt blanched, but Tobin convinced him that they should support Harlem regardless. For several days Vanderbilt rose at 5:00 A.M. to go to his office, where he wore a troubled look and barked at anyone who disturbed him, but on April 18, when the panic culminated in a calamitous decline, Harlem sold off only to 183 and afterward resumed its advance. By April 23, the day the legislature adjourned, it had reached 220.

Having kept a careful count of their transactions, Vanderbilt's lieutenants now reported to him that they held stock, or contracts for stock, for 27,000 more shares than the entire capitalization of the company: to cover their contracts, the shorts must buy Harlem from the only parties now holding it, Vanderbilt and his friends, who could set what price they pleased. "Put it up to a thousand!" cried the vengeful Commodore. "This panel game is being tried too often!"

But Tobin and Leonard Jerome urged prudence, since as Jerome pointed out, "It would break every house on the Street."⁷

So Vanderbilt relented; he would tighten the screws only to a point.

Watching closely, the *Herald* announced that the Harlem corner was nearing culmination, and even named the more prominent victims.

Drew was one of them. Far from making a killing, he was trapped, his calls for 30,000 shares dooming him to a loss of well over a million at the least. Under such circumstances the protocol of Wall Street prescribed a visit by the loser to the winner, to arrange to settle up. But when the Old Bear went to the Commodore, he threw himself on Vanderbilt's mercy, pleaded ancient friendship, and probed slyly for whatever scant reservoirs of sentiment existed in that ironbound heart. No use; Vanderbilt asked pointedly how much mercy he himself could have expected, had the tables been reversed.

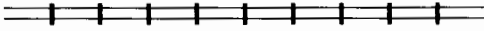
"Dan'l," he told the suppliant, "don't go for to plead the baby act, anyhow. Come up like a man and settle!"⁸ Instead, Drew charged conspiracy—he had been trapped by false representations, cruelly tricked—and when this made no impression, tried another tack: "Them contracts merely say that you may *call* upon me for so much stock—they say nothin' about me deliverin' the stock. Call, then, and keep callin'—I ain't obliged to deliver any stock!"⁹

And so, in Wall Street parlance, Drew "lay down" or "squatted" on his contracts: he refused to honor them and furthermore threatened litigation. Those calls, he insisted, were not legal, since all the stock was held by the very men to whom the calls had been sold. In guileless innocence, he claimed, he had been seduced into selling what he could not possibly deliver. This was a bit flimsy, perhaps, but he was well aware how Wall Street abhorred litigation.

Meanwhile the annual Harlem election came round. At the meeting on May 17, just ten stockholders assembled to vote 105,873 shares of stock, most of which was held by three men: Vanderbilt, Tobin, and one of Vanderbilt's brokers. Inevitably, Vanderbilt was reelected president, while Drew and Addison Jerome, both absent, were thrown off the board. That same day the stock attained 280, then on June 1 hit 285; the corner had achieved its climax.

For weeks now, one by one the defeated shorts had been presenting themselves at the offices of Vanderbilt's brokers, where in settling their contracts they received little mercy. Ruined, most of the smaller operators were never seen again on the Street. As for the Old Bear, as late as May 17, the very day of the Harlem election, he alone still refused to respond to his calls. But compromise was in the air. Almost daily, Tobin and Leonard Jerome were negotiating with him in the back room at Groesbeck & Company, haggling, threatening, arguing, and cajoling, until at last a settlement was reached. Only the parties concerned knew how much the old man paid—by one report, sixty cents on the dollar—but the Street reckoned his losses at between half a million and a million. "These calls are nasty things," said Uncle Daniel.¹⁰

Harlem stock remained close to 280 until the last short contracts had been settled. Then, being completely in the hands of the bulls, it ceased to be traded altogether. So ended the Second Harlem Corner, with scores of speculators wiped out and Vanderbilt's prestige at new heights. By his own account, the Commodore had made \$2 million, not to mention his lieutenants. "We busted the whole legislature," he later reminisced, "and scores of the honorable members had to go home without paying their board bills!"¹¹ As for Drew, he was in great grief of mind since all the Street knew that "they had taken a slice out him." It was galling to lose, especially to lose to Vanderbilt. The Old Bear yearned for revenge.



The Virtuoso of Erie

On the afternoon of March 14, 1864, to a city so little gripped by wartime austerity that it could indulge itself in lace, velvet, Brussels carpets, theater, balls, and receptions, Daniel Drew offered yet another sumptuous experience: the inspection, at the foot of Cortlandt Street, North River, of the newly completed steamboat *St. John*. Named for Capt. Alanson P. St. John, whose service to the People's Line as senior captain, superintendent, and treasurer left President Drew free for the more exhilarating distractions of Wall Street, the new vessel was a \$400,000 marvel of marine construction that the newspapers described as being to river steamboats as the *Great Eastern* was to ocean steamers, the Fifth Avenue Hotel to hostelryes, and St. Peter's in Rome to the churches of Christendom.

With the *St. John* in service, the replacement program of the People's Line was triumphantly under way. This program was long overdue, since by the early 1860s the *Hendrik Hudson*, *Isaac Newton*, and *New World* were aged and ripe for retirement. Because the People's Line was thriving, Drew could well afford to inaugurate a new series of three giant sidewheelers designed to maintain the company's dominance of the night line. In July 1865, when the second of these palaces was exhibited to the public—the \$600,000 *Dean Richmond*, named for the new president of the New York Central Railroad, long an ally of the People's Line—the *Times*, having surveyed its lavish furnishings, declared that what remained exclusive in monarchical Europe had become common in republican America.

Ironically, the millionaire creator of this new fleet of luxury steam-

boats—who for tax purposes reported an income in 1864 of over \$101,000—remained as personally frugal as ever, often carrying as a cane the stripped shaft of an old umbrella. When, during an inspection tour of a railroad out West, he learned that a lengthy telegram that he wished to send to his wife was going to cost twelve dollars, he was shocked. This frugality carried over into business as well. He never insured his steamboats, insisting instead on vigilance and proper upkeep, a policy that served him well for years, accidents being rare on his line and passenger deaths unknown. In December 1863, however, when a boiler explosion destroyed the *Isaac Newton*, a number of passengers died from scalding, while two years later a similar explosion on the *St. John* killed eleven. Even without insurance, however, Drew made good all claims from passengers and shippers. When the *Dean Richmond* collided with another boat in 1867, he is said to have paid out nearly \$300,000 without a single lawsuit and still considered it a bargain, in that insurance for his boats would have cost him half a million.

To his employees he was a good boss; they remained in his service for years. Captains Peck and Roe, of the *St. John* and *Dean Richmond* respectively, had been with him since the 1840s, and his partner St. John, now the number two man in the company, since 1834. Behind his back the river men called him Raw Hide—presumably, a comment on his wrinkled, dark-complexioned features—but in his presence they were respectful, and politic as well. The story is told how on one occasion, when he was traveling on one of his boats, he chanced to meet the captain in the bar. Both were surprised, but the captain put on a bold face, talked business as he drank his whiskey, then conspicuously plunked down a quarter on the counter. “What?” said Drew. “Do you have to pay for your drinks on this boat?” “Always,” said the captain. “Fact is, Mr. Drew, I find it the best means of interposing a most desirable restraint on natural tendencies.”¹

Drew left satisfied that his captain, if he had to pay steamboat prices, was a moderate drinker, while the thirsty skipper had the satisfaction of knowing he had bluffed his boss and the assurance that the bartender, if he valued his job, would return the quarter posthaste.

In steamboating Drew no longer aspired to be more than a good boss and an efficient manager, channeling all his ambitions into Wall Street. Noting the high wartime prices for boats, in September 1863 he sold his interest in the day boat *Daniel Drew*, and in December of that year he pulled out of the sound altogether, selling three of his New Jersey Steam Navigation Company’s vessels to a company newly formed in Connecticut. Finally, in September 1864 Drew and the other New Jersey Steam Navigation Company directors and shareholders sold the company’s remaining two boats, then running between New York and Troy, to Drew’s

New Jersey Steamboat Company (Uncle Daniel's left hand was selling to his right) and divided the company's assets, of which Drew's share was a handsome half million. In their haste to pocket the money, however, they made no provision for the company's outstanding liabilities, an oversight which led to litigation that lasted for eleven years. But in steamboat circles, such contretemps were not unusual: a lawsuit arising from the loss of the *Francis Skiddy* in 1864 dragged on for all of fourteen. Although more sued than suing, Drew always kept the lawyers busy.

Reputedly, the sale of Drew's three boats on the sound was arranged through the good offices of James Fisk, Jr., of Boston, who brought the two parties together. This was Drew's first contact with Fisk, a twenty-eight-year-old Vermont-born Yankee peddler turned war contractor turned cotton smuggler (in the *New York City Directory* he was listed as "imp." for importer) who, having sought Drew out in his office, surprised and entertained him with his grandiose views on steamboats, railroads, stocks and finance, and just about everything else. Although usually reserved, Drew took a quick liking to this pudgy, sandy-haired rollicker, all flash and go-ahead, who like Drew had done a stint in the circus. Unlike him, however, Fisk had a vast craving for champagne, diamonds, checked suits, fast women, and attention. He was also a great joker and clown, a free spender, a fast talker, a born entrepreneur, and a super-salesman who above all was selling Jim Fisk. The Old Bear was a good judge of character: beneath all the flash and buffoonery, he sensed a smart operator, a judgment that was soon confirmed by Fisk's efficient handling of the steamboat sale. Uncle Daniel could use such a fellow in Wall Street.

Wall Street was the playground and killing ground, the torment and elysium of Daniel Drew. And of all the opportunities it offered, none so exercised his ingenuity as the stock of the New York and Erie Railroad or, as lately resurrected, the Erie Railway. For the old New York and Erie was no more; despite Drew's own canny generosity in 1857 and President Charles Moran's prodigious salary and confidence, the company's affairs had deteriorated until at last, in 1859, it defaulted on all five mortgages. On August 2, 1859, a foreclosure suit was brought against the railroad by the trustees of the fourth mortgage and by Daniel Drew as bondholder and mortgagee. The Erie passed into receivership, whereupon the directors slashed President Moran's salary and he resigned.

Over the next three years the Erie remained in receivership, while appointed trustees negotiated with the bondholders to induce them to exchange their bonds for preferred stock in the newly created Erie Railway Company, under which guise the road was finally reorganized in the

spring of 1861, with both Vanderbilt and Drew on the board. Erie's rebirth was hailed with enthusiasm by the *American Railroad Journal*, which declared a repetition of its past misfortunes "almost beyond the reach of possibility."² With some exceptions, however, the gentlemen resuscitating Erie were precisely those who had presided over its decline and demise.

Further grounds for caution was provided by the stock's amazing vicissitudes in 1860. Early in the year it hovered between 8 and 10, the company's woes being known. Then suddenly the outlook changed. The creditors, it seemed, were being conciliated, and the costly Bergen Hill tunnel was completed, while the magnificent Long Dock property in Jersey City now provided deep-water terminal facilities unequaled in the world, which the company's own ferries joined to New York. Whatever its past, then, Erie's future seemed positively brilliant. The stock climbed steadily for months, until on October 2 it hit 42¾. At this point Drew and certain associates, having acquired a huge block of it at 10 and below, sold out, whereupon it dropped to 25. Insider Drew's profits were estimated as high as \$2 million, which shows how he got the nickname of the Speculative Director, and why, through thick and thin, he cleaved to the board of the Erie.

The Erie's reorganization was completed just in time for the new company to share in the wartime boom. When the South's secession closed the Mississippi to navigation, the great east-west trunk lines of the North suddenly found themselves handling a huge traffic that taxed their capacity to the limit but sent earnings soaring. Inconceivably prosperous, in July 1863 the Erie shattered precedent by paying a dividend. Meanwhile the common stock, having sold below 8 in 1859, surged to 65 in 1862 and to 122 the following year. Erie's promise, it seemed, had at last been fulfilled.

Since these flush times were a boon to steamboats, too, in March 1862 Uncle Daniel induced the Erie board to sell him its five Lake Erie boats for \$110,000 and to pay him a substantial sum to operate them in exclusive connection with the Erie trains. This he did, and profitably, under the name of the Erie Railway Steamboat Company, a vestpocket enterprise that he incorporated with just three directors: himself as principal stockholder and president, his grandson as secretary, and a vice-president to supervise the actual operations. Handily headquartered at Drewville, the company operated a growing fleet of first-class screw-propeller vessels that plied between the Dunkirk terminus and Cleveland, Sandusky, and Toledo, with connections to Chicago, as another of those lucrative little sidelines that Drew was so adept at organizing.

In the new Erie as in the old, Drew's influence was paramount; he served on both the executive and finance committees and was well

thought of by President Nathaniel Marsh. Once when some English investors who were interested in Erie bonds came to New York to examine the company's affairs, Marsh introduced Drew as the bonds' expositor. Put off by Uncle Daniel's homespun ways, the visitors informed Marsh that this was not the sort of man with whom they wished to negotiate. Marsh, however, urged them to withhold judgment until they knew him better, which they agreed to do. Several interviews later the visitors' chief spokesman announced, "Mr. Marsh, I owe you an apology for my remark concerning Mr. Drew. Now we know more about him, and if anyone takes him to be green, they will catch a *trump*, sir, yes a *trump!*"³ To celebrate their newfound congeniality, all parties concerned dined together at the sumptuous St. Nicholas Hotel.

Long in failing health, President Marsh died suddenly on July 18, 1864. The next regularly elected Erie president was Robert H. Berdell, a prominent director and friend of Cornelius Vanderbilt, whom Vanderbilt—himself a director since 1859—imposed on the board by buying off a rival. Marsh had been a diligent servant of the railroad; his death removed a major obstacle to the daring schemes entertained by certain members of the board. Over the next four years the Speculative Director in Erie was going to play trump after trump.

The summer of 1864 brought dark days for the North with Grant stalled in Virginia, Sherman all but stymied in Georgia, the president doubtful about his reelection, and gold at an all-time high. Meanwhile Director Daniel Drew felt obliged to make some dire predictions of his own regarding Erie, whose stock was selling well above 100 or par. "Them Ayrie sheers are a-sellin' naow for a leetle more'n they're wuth," he informed the boys on the Street. "It costs a heap naow to pay runnin' expenses. The Ayrie has to pay up'ards of twenty thousand for an injnye what cost only ten thousand afore the war. Coal and iron has riz, so has men. Whar are dividends a-comin' from? You boys better not be too fond of your sheers."⁴ He spoke from knowledge, for soaring costs in men and machinery had so raised the road's operating expenses that they had outpaced the increase in earnings. By September a general bearish sentiment prevailed. Despite the news of Sherman's capture of Atlanta, the uncertainties of the coming election bore the market downward, until on October 5 "them air Ayrie sheers" were selling at 86½.

At this point, it would seem, the Old Bear received a business visit from Tobin and Jerome, the recent agents of his agony in Harlem. The two formed a curious pair. Tobin was of the same rough origins as Vanderbilt, with something of the Commodore's crusty pluck and obstinacy. On the other hand Jerome, the future grandfather of Winston Churchill, was a high-living fashionable who was fond of horses, theater, opera, and

female opera singers, and who on Sabbath mornings delighted to drive a carriage full of elegantly dressed and gaily laughing friends up Fifth Avenue to the Park, shocking churchgoers all along the way. Having made and lost one fortune, he had made another and wanted to increase it. Although surprised by their visit, Uncle Daniel was surely cordial. Yes, the boys had pinched him in Harlem, but he bore no grudges. So what could he do for them?

What the Harlem victors had in mind was to repeat their coup by cornering Erie. This would be no mean feat, since Erie was the special preserve of Uncle Daniel, and furthermore there was a lot of it around. By an act of the state legislature of May 4, 1864, the company had been authorized to increase its capitalization by \$8 million, which translated into 80,000 shares of new stock that, some legally, some not so legally, might find their way to the Street. How, then, did Tobin and Jerome propose to go about it, they who were operating now on their own hook, without the benefit of Vanderbilt's millions? Quite simply, they proposed to strike a deal with Uncle Daniel, the man most capable of advancing or thwarting their designs.

The Old Bear was delighted by the offer. Certainly he had no objections. Not only would he agree not to sell the stock above a certain price, but he would even stake them, on terms of course and at interest, to a handsome loan.

That recent enemies should become allies was not surprising on Wall Street; it happened every day. And so, the deal concluded, the campaign to corner Erie began. All through October Tobin and Jerome bought large amounts of stock in the nineties, following which it rose above par and on November 9, upon news of Lincoln's reelection, surged to 104. Strangely enough, however, at these high prices there seemed to be an abundance of Erie, which naturally they were forced to absorb. In time, they learned that, in blatant disregard of their agreement, Uncle Daniel was selling it! And he had plenty to sell, because, with the Erie election over, he could dispose of stock bought to assure his reelection and because the company, doubtless at his own suggestion, had authorized him to sell on its behalf 7,000 shares of the new stock, which he unloaded on Tobin and Jerome at close to 102, costing them over \$700,000. With what befuddlement, frustration, and rage Tobin and Jerome greeted the news of this betrayal is not known. Quite possibly they stormed into the little back room at Groesbeck's to accuse the culprit to his face, only to hear him deny the whole thing in tones of injured innocence seasoned with a spidery charm, or to argue cagily, in a whiny twang, that their agreement did not include stock sold by the "Ayrie" itself, which he of course had to sell if the executive committee instructed him to do so. In any event, they were out their hundreds of thousands.

Doggedly, the two cornerers persisted. Over the winter, as the North pressed closer to victory, Erie declined with the market, it being Wall Street's opinion that if war had brought a boom to the railroads, peace would necessarily bring a bust. Then in early January of 1865, with Erie selling in the low eighties, a familiar scenario was enacted. Pressed by rising costs and debt, the company borrowed \$3 million for a year from Director Drew, who received 900 mortgage bonds and 28,000 shares of new stock as collateral. Because Drew, heedless of legal technicalities, might or might not dump this stock on the market, Erie sagged, then broke below 70 on various rumors that seemed to emanate from William Street, where Ursa Major was busily selling short. Locked into the stock at a loss and unable to corner it, Tobin and Jerome were paying Drew interest on a borrowed fortune that, with repeated assists from the lender, grew steadily less each day. Then Uncle Daniel turned the final screw. Having restricted the money market, he called upon Jerome and Tobin to repay him the loan, whereupon those two harried bulls were forced to dump their Erie on the market, which depressed the stock still further. So ended the campaign of the would-be cornerers, said to have cost them a million dollars in all. This disaster helped Jerome toward the loss of the bulk of his fortune. The Harlem score was settled, in part.

Not that Drew was resting on his laurels. He had put out short contracts in Erie, so the stock must be depressed. All through March, as Grant hammered at the gates of Richmond, the Old Bear pounded Erie in the market, till it hit 50 on the twenty-eighth. At this point Drew covered his contracts for a large profit, then switched to the bull side and began buying Erie. Locked in battle now with Uncle Daniel, as Richmond fell and the South's defenses crumbled, was the chief bear, Edward B. Ketchum, a young speculative banker and well-known member of the Stock Exchange. In late March Ketchum sold Drew 10,000 shares of Erie at 49 with a seller's option of sixty days for delivery, Drew betting that for two months he could keep the stock above 49, while Ketchum bet that he could depress it to that price and lower. A fierce struggle ensued, against a background of the extraordinary news of Lee's surrender on April 9 in Virginia, followed five days later by the murder of the president. This last was a real impediment to trading since, in an unprecedented gesture, Wall Street partially suspended business for a week. Thereafter, as the nation grieved, Drew and Ketchum fought on while Erie rose to the seventies, buoyed by Wall Street's revised opinion that peace might not be so terrible after all. By June 1 Drew had won. Ketchum, his sixty days expiring, covered his short contracts at a loss of \$250,000. Uncle Daniel had adjusted splendidly to peace.

Yet his store of wiles was far from exhausted. Since the bears could not conceive that Ursa Major had really turned bull, he encouraged their

delusion, got them to short heavily, then in late July lifted the stock to 97, whereupon Groesbeck called on the shorts for 35,000 shares that he had loaned them, forcing them to cover at a loss. As Erie churned in the nineties, the bulls were jubilant, until Drew unloaded his stock and sent the price plummeting. The market was now awash with Erie, and the bulls in turn cried swindle, having trusted Uncle Daniel's assurances that the stock was scarce and likely to remain so. "The unscrupulous manner in which this stock is being played with on the Stock Exchange," affirmed the *Herald* of July 30, "is a disgrace to American railway management . . . and before three years elapse such trickery . . . will be as impossible as it is dishonest, for the reason that investors will protect their own interests." Alas, not by any strain of the imagination could the writer conceive of Erie's condition three years hence.

For nearly a year now, Drew had manipulated Erie masterfully. It was a performance that might well have inspired the saying that Bouck White invented, but attributed to traders in the Street: "Daniel says 'up'—Erie goes up. Daniel says 'down'—Erie goes down. Daniel says 'wobble-wobble'—it bobs both ways!" How had Ursa Major done it? Through tactical expertise unsurpassed on Wall Street; through patience and daring, vast liquidity, small conscience, deceit, flexibility, and cunning; but most of all through knowledge. For Uncle Daniel *knew*. Almost daily he visited the company's offices and, more than any other director, closely watched its affairs. As an active member of the executive and finance committees with access to the company accountants, he knew beforehand every rise or fall in the Erie's monthly earnings and the prospects of a dividend; he knew the state of its debt, and whether or not it was ripe for yet another compromising loan; he knew the mood of the officers and directors—which ones were manageable and which ones were bent on reform. Friendly with the transfer clerk, on any given day he knew almost to a share where the stock was lodged—how much in his own account and those of the other directors, how much in the company's coffers, how much in Europe, and how much loose on the Street. Finally and above all, he knew the twists of his own mind. Knowledge is power, and power begets profits. He made hundreds of thousands, millions.

But even Drew could be taken by surprise. On August 15, 1865, just two weeks after his last great coup in Erie, a quiet Wall Street forsaken by vacationing operators was stunned to learn of the failure of Ketchum, Son & Company, in consequence of gold certificate forgeries and stock thefts by Edward B. Ketchum, the junior member, that totaled several million dollars. Undone by his ruinous speculations, young Ketchum had absconded (he was arrested ten days later), in the wake of which his broker failed as well, stocks plunged, and a "general smash" was pre-

dicted, reports of which, telegraphed to Newport and Saratoga, stampeded traders back to the city.

What they found on Wall Street, however, was not a panic but a lull, and in the midst of it the Speculative Director in Erie, calm and smiling, not only buying his favorite stock but selling puts in it, offering options permitting the holder to sell him Erie at a price just below the current market, suggesting that he was confident Erie would go up. Reassured, the nervous bulls snatched at these options and then bought Erie aggressively, knowing that if a decline ensued, the options would limit their losses. The whole market steadied, and Erie inched upward through the eighties, further helped by rumors that the stock would soon be in demand and rise to par or 150, because Drew's control of the company was being challenged by a clique of distinguished foreign personages whose arrival in the city was imminent: noted English capitalists, the Duke of Salamanca, the Marquis of Something-or-Other, the mere mention of whose names inspired further heavy purchases of Erie. Presently, a group of English capitalists—sans Duke or Marquis—did indeed arrive in New York, but for a tour of the American railroads and not for any contest over Erie. Thereafter, Erie neither soared nor plunged, but fluctuated narrowly in the eighties, so that no huge profits were realized, nor were those quantities of puts ever used. On Ursa Major's furrowed features, the subtlest of grins could be discerned. What had he been up to?

Being in the city when the Ketchum scandal broke, he had first snapped up at bargain prices much of the Erie that Ketchum's broker dumped on the market. At the same time, however, he found himself saddled with large amounts of other stock that Ketchum had contracted for, stock that, if sold at current prices, meant a loss. Consequently, he undertook to stem the panic, whence his heavy sales of puts to the bulls and the picturesque rumors about Erie. Then, as the market steadied and rose, he slid out of the stocks he was stuck with, while bobbing Erie narrowly until the options expired, each little twist bringing further profits to himself. Such control was easy, since he and his friends had by now acquired the bulk of the stock, with an eye to the October 10 election. At that election the old board was unanimously reelected, for this—and not profits—had been Drew's chief concern over the entire two months preceding. Inscrutable were the ways of Uncle Daniel.

What an extraordinary year 1865 had been! He had coped with war, peace, assassination, and fraud; had chastised Tobin and Jerome, outfought Ketchum, clipped bulls and bears alike, stopped a panic, and renewed his domination of the Erie. How he relished skinning the boys on the Street, rallying them on their losses, and when least expected, stand-

ing the whole market on its ear! It was "as good as nuts and cheese" to him when he was working up a corner, or when on a high market he had put out a heavy line of shorts. Yet even while matching his wits and purse with giants, he routinely set traps for small game, too. Like all the successful men on the Street, he was a magnet for petty operators and greenhorns who flocked to him with tips and schemes, hoping to join him in a "dicker" or pick up a "point" or two. If, however, deceived by his insinuating manner, sweet smile, and quaint, rustic ways, they put faith in his "p'int of sheers" or otherwise presumed upon a scant acquaintance, their fate was likely to be enshrined in yet another of the Uncle Daniel stories told on the Street.

Those stories were legion. According to one told by the marine engineer Charles Haswell in his *Reminiscences*, a young lawyer friend had recovered some money for Drew through litigation, whereupon Drew advised him to use his remuneration to buy Erie on margin. "Sonny, you did it. I like to see young men go ahead. I knew your father. Now, as you have got some money, you had better go into the market and buy some stock. It's low now, and if you'll be advised by an old friend of your father's, buy Ayrie. It's safe, very safe. Now, sonny, do as I say." The young man followed his advice, bought Erie, saw it decline, and learned too late that Drew himself had been selling him the stock. "In reference to the transaction," Haswell adds, "my friend's words are not restricted either by Webster or the Decalogue."⁵

Indeed, nothing brought more glee to the Old Bear's craggy features, or made his gray eyes glint more merrily, than the knowledge that he was unloading on a dupe. Henry Clews tells how once on Wall Street, after being severely squeezed in the market, Drew was made the butt of much jesting, especially by a group of young operators who literally laughed in his face. One evening he appeared at a club that the young men frequented, where he seemed to be looking for someone whom he failed to find. Intensely preoccupied, time and again he drew forth from his pocket a big white handkerchief to wipe his brow. Just before he left, one last flurry of the handkerchief tossed out a small piece of paper that, apparently unseen by him, fluttered to the floor, where one of the young men covered it at once with his foot. After Drew had left, they examined it and found an order to his broker to buy all the Oshkosh stock he could get. The young men were electrified: here was advance warning of a big rise in Oshkosh! Immediately they formed a pool and bought 30,000 shares the next day, following which the stock plummeted, giving them a fearful loss. Of course the slip of paper had been planted and the stock had come from Drew.

Once at least, however, Drew outreached himself. Overburdened with Erie, he recommended to Capt. Joseph W. Hancox, his friend of

sorts and rival on the Hudson, that he buy a few thousand shares of the stock on the "p'int" that Drew's pool was about to put it up. Taking his advice, Hancox purchased Erie in several blocks, committing the bulk of his fortune, then quite by accident discovered that his Erie had come from Groesbeck & Company, which meant that Uncle Daniel was selling the very stock he had urged him to buy. Immediately, having stopped payment on his latest check, Hancox strode over to Groesbeck's in high dudgeon and confronted Drew, informing him that unless he got all his money back, he would retain the last lot of Erie, that on which he had just stopped payment, and fight the matter in the courts. Groesbeck, seeing that he must either forfeit the stock or litigate, reasoned with Drew. As a result, Hancox was relieved of his Erie and thereafter took no more points from Uncle Daniel—a happy ending for all concerned, Drew included, given Hancox's propensity for brandishing revolvers on the river.

Needless to say, not all the Uncle Daniel stories should be believed. They were the stock in trade of Wall Street's losers, whose scribbled anathemas upon Drew, Vanderbilt, and other major operators covered the walls of the trading room at the Stock Exchange. In the case of one story, the process of distortion can be traced. Bouck White tells how during the war a young greenhorn named California Parker came to Drew and offered to boost Erie for him, if Drew would advance him some money when he needed it. Drew agreed, but then unloaded his own stock on Parker and callously refused him the loan, so that Erie declined, Parker was ruined, and his family left destitute, while Drew raked in more money. When published in 1910, this account especially incensed Drew's son, who denied that his father had been cruel. Indeed, White's sources tell it differently. According to Henry Clews's version, published in 1887, Drew simply took advantage of a brainless amateur, while W.W. Fowler's account, published in 1870, absolves Drew completely, stating that Parker was a young fool with \$300,000 who in July 1863 conspired with friends to corner Drew in Erie, but was himself ruined in a sudden two-day panic in September. Probably Parker was the unnamed outsider whom the *Herald* of September 7 mentions as having been forced to sell 2,000 Erie at 100 to a "prominent banker and lender" (surely Drew) who shortly before had refused him a five-day loan on it even at an exorbitant rate of interest. All of this says more about the follies of speculation, especially by amateurs, than about the ruthlessness of Daniel Drew.

One Uncle Daniel story, recounted by Fowler, is in a different vein. A well-known bear was dead broke by the spring of 1865, inspiring some of the Street's big operators to a rare mood of pity. Drew sent for the man and informed him that "a few sheers of Ayrie" wouldn't hurt him.

"But," said the man, "I have no money to buy them." "Never mind that," said Drew. "Send in five thousand sheers to me and I'll take care of 'em."⁶ The speculator did so and within a few days was on his feet again with fifty thousand dollars in his pocket.

Yet against this story one has to set a dozen others of how the old man tricked this one or cheated that one so as to dump his "Ayrie" on some unsuspecting victim. Unflattering stories circulated about other operators, too—how Leonard Jerome unloaded on an old acquaintance, how Vanderbilt milked his friends by manipulating Central, and how Henry Keep issued more Michigan Southern stock so as to ruin Addison Jerome—yet somehow these stories never overwhelmed the reputation of the men involved. But wherever Uncle Daniel ventured in the Street, fresh tales of his deceit and treachery proliferated; they stuck to him like burrs.

Given the likely number of his victims, one wonders why he was never assailed by shouted insults in the street or even physically assaulted, as happened later to Jay Gould, who was forced to hire bodyguards. Probably Drew was protected by his victims' chagrin at being duped, by their propriety (one did not assault old men), and by his own quiet, homespun manner—so rustic, so quaint—which one could learn to distrust but hardly hate. Suspect he certainly became, in the eyes of his Wall Street contemporaries: Henry Clews recorded his deceptively bland manner and cunning; James K. Medbery, his lack of popularity, owing to an alleged readiness to sacrifice his friends; while W.W. Fowler called him "vulpine." But Fowler perhaps said it best when he described Drew and Vanderbilt alike as being "unscrupulous, within the law."⁷ Indeed, how could they not be, in a society that idolized go-ahead and condoned "smartness." And of course the law could be bent.

A Seminary, an Injunction, and a Loan

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enerous,” “liberal,” “large-souled,” “noble,” “beneficent”—so the Methodists routinely described Brother Daniel Drew, who as the sect’s first millionaire was continually solicited on behalf of worthy Methodist causes, to which he rarely failed to contribute. By the mid-1860s, the tide of his bounty ran high. When the Methodists of Southeast decided to build a larger structure nearer the center of the village of Brewster, Brother Drew immediately made a substantial donation and promised to pay half the total cost. The result, built in 1863 for \$16,000, was a handsome frame building with a lofty spire, in which Drew and his grandson rented pews for years. Similarly, when the Methodists of the village of Carmel reared a sturdy new stone edifice that was dedicated in 1865, Drew served on several committees and donated more than three-quarters of the total cost of \$40,000, in gratitude for which the new structure was named the Daniel Drew Methodist Episcopal Church. And in that same year he gave Wesleyan University his bond for \$25,000, thus founding the Drew Professorship of Greek. This was no mean contribution from a benefactor whose faulty English, when it impinged on learned ears, could at best be characterized as “quaint.”

Motivating his generous donations to institutions of learning, no doubt, was the pained awareness of his own lack of education. The extent of that lack is illustrated by a story told in his own time, picked up by Bouck White, and subsequently confirmed by Drew’s son. On leaving his office one evening, Drew changed the combination of the safe. The next morning he was detained at home, and the clerks in the office needed to open it. When they sent word, he informed them that he had

set the combination at the letters that spelled "door." Presently they sent word again that they had tried "door," but the safe would not open.

"Door," Drew insisted. "An ordinary house door, barn door, stable door—any kind of a door!" "But," said the messenger, "there are five letters to the combination of our safe. Are you sure it's the word 'door'? We've tried it—several ways." "Of course I'm sure," said Drew. "Turn to those letters and it will work!" But still the safe would not open, so Drew himself had to go to the office, where for him it opened at once. "There!" he said. "It opens as easy as an old sack. Just D-O-A-R-E!"¹

Daniel Drew's orthographic deficiencies did not trouble the Methodists, who saw in him not just a dependable source of largess, but a model for young businessmen in the city and aspiring plowboys on the farm. He was proof of what hard work and ambition could do, tempered by humility and piety. And some of them knew his fervor firsthand. They knew how when a revival was held in the schoolhouse at Drewville, for instance, daily for six weeks he commuted fifty miles by rail from the city and three miles by carriage from the station, so that after a hasty supper he could attend the meeting, where his tearful prayers and exhortations proved every bit as moving as the sermons. In time of sickness or doubt, he summoned his pastors for continuing counsel and prayer. And at love feasts and prayer meetings no sinner abased himself more contritely than he, tears flowing down his face as he confessed his backslidings copiously. Veteran class leaders discerned in him the periodic agony of a man who, in these laxer and more affluent times, relived the anguished longing and uncertainty of the sin-convicted boy of fourteen. If not a soul in triumph—on weekdays Mammon reclaimed him—here at least was a soul in struggle.

Yes, on weekdays Mammon reclaimed him, greedily, obsessively. But few Methodists were conversant with the wiles of Wall Street, and if any of them were troubled by Brother Drew's money-getting ways, such reservations were singularly inappropriate during the church's frequent fund-raising drives. Yet one Methodist—no bishop or eminent educator, but a simple pastor—had long since taken this matter very much to heart. Born in England, John Parker had emigrated to America in 1847 at the age of twenty-two. As a young preacher on trial at Princeton, New Jersey, new to the country, friendless, and unknown, in the winter of 1848 he had come to the Mulberry Street Church in New York in quest of funds for his church and there participated in a two-week revival meeting. No sooner had he finished his first sermon, when Drew came up to him, thanked him for the sermon, and invited him to his home. Thereafter they had become close friends, Drew treating him with the tenderness of a father, while the young Englishman, as he matured in

his vocation, came more and more to be the older man's spiritual adviser and confessor.

Over the years, on many occasions Drew spoke feelingly to John Parker of his mother, of the influence of her piety upon him, and of the effect of her death on his life. More than any other living person, Parker was aware of how intensely Drew's two overriding passions, business and religion, clashed in his inner life. Once when the younger man was visiting Drew in his mansion on Union Square, Drew had taken his arm and said, "Come, let's go out and have a walk." As they walked around the square, Drew seemed peculiarly depressed. "Brother Parker," he said, "I begin to be afraid I shall lose my soul in these terrible fights in which I am engaged. Somehow I feel as if I was tied to business and don't dare to break the cord. This diminishes my love and joy in religious things."²

Because of such confessions, Parker had taken Drew's soul in charge. Years later he recalled:

More than forty times have I met with him alone in prayer. I felt it was my duty to do so. I felt I owed a great deal to him. I loved him. I saw the peril in which he was placed, and I resolved years ago that when I called upon him, unless I found him surrounded by businessmen, or unless the arrangements of his family would make it inconvenient or improper, I would never leave without talking quietly with him about his soul, and having a season of prayer with him. I have kept that promise; and I think not more than four or five times in the twenty-five years that I have met him in this way have I failed to kneel with him in prayer.³

According to Parker's later testimony, one of their colloquies had given birth to a momentous idea. In the spring of 1857 Drew went to Albany, where Parker was stationed, and persuaded him to become his pastor at the little church near Brewster, and the following year at Carmel and Drewville. One day in the summer of 1857 Drew called him out for a ride in the vicinity. On this occasion, being close to sixty, Drew told him that he had been thinking of giving up business and spending the rest of his life using his money in the service of God. "Brother," said Parker, "do it!"

"I have long thought," said Drew, "I would like to do something for the church that has taken such an interest in me. My mother was a Baptist, and I love the Baptist church, but somehow the Methodist church has got a large place in my heart, and I want to do something for the Methodist church."⁴

Parker at once suggested that he found a school nearby for the sons of Methodist preachers and a Drew Theological Seminary either there

or in New York. Both ideas appealed to Drew, who mentioned them to Dr. McClintock, his pastor at the time in New York. Within a few short weeks, however, came the Panic of 1857 and this alone, in Parker's opinion, had prevented these plans from maturing.

To be sure, Drew had not retired from business, but the idea of a seminary that would serve God's purposes while perpetuating his own humble name on earth had lurked in the back of his mind. By Methodist standards this was a rather liberal notion, for oldtime Methodists had been leery of an educated clergy, feeling that ministers should be called by God, not trained in a seminary. After considerable debate, however, the General Conference of 1856 had cautiously sanctioned such studies at last. Progressive Methodists like Parker and the learned McClintock were now convinced that, given the growing sophistication of the people, ministers must have a certain amount of scholarship and culture. Their opinions had surely influenced Drew, who seems to have mentioned the seminary project to Methodist friends on various occasions, although the turmoil of the war years imposed a further delay.

Even before the war had ended, however, prominent Methodists were busy planning for the Centenary of American Methodism in 1866. This was to be a nationwide celebration of a full century of formal Methodist meetings in America, which church leaders hoped to make a time of great spiritual awakening and of massive fund-raising in support of missionary and educational efforts. What could be more fitting than to found a new theological seminary in the vicinity of New York? And with regard to financing it, what could be more appropriate than to approach Brother Daniel Drew, who was reportedly predisposed to the idea and who in the midst of love feasts had been known to rise in his place and announce humbly, "All I am that is worth anything to the world I owe to the Methodist Episcopal Church under God."⁵

They would approach him, then, but with tact, since in matters of giving he was known to have a mind of his own. Solicited once by the Chamber of Commerce to help sustain the market in a panic, he was said to have replied, "Gents, I'd luff to do it, but I've sporn as much money as I kin."⁶ That, of course, was business. On another occasion, however, when the question of finishing a mission chapel had been raised at a meeting of the trustees of his church, a fellow trustee was said to have announced, "We expect a generous sum from Brother Drew." Turning to Drew, he asked, "Brother Drew, I put it to your conscience. Don't you see your way clear to give us ten thousand dollars?" "No, I do not," answered Drew, which ended the discussion.⁷ Decidedly, tact was in order.

Three members of the Central Centenary Committee, all known to the prospective donor, were appointed to a subcommittee to call on Drew. They were Dr. George R. Crooks, editor of the New York-based

weekly, the *Methodist*; Charles C. North, a prominent layman interested in ministerial education; and Drew's close friend McClintock, who had twice been his minister at St. Paul's and who during the war had served as pastor of the American Chapel in Paris, a significant and sensitive post. Late in 1865 they visited Drew at his home to ask what offering he intended to make in connection with the centenary celebration. Immediately and with what Crooks later termed "the utmost simplicity," Drew announced, "I am willing to give two hundred and fifty thousand dollars for the endowment of a theological seminary at Carmel, Putnam County, in the state of New York, for the use of the Methodist Episcopal Church."⁸

So there it was—a quarter of a million dollars, bluntly but generously offered in an interview that had lasted all of five minutes. Yet it was only a start. On the evening of January 25, 1866, when prominent Methodist clergy and laymen flocked into St. Paul's Church, at the corner of Fourth Avenue and Twenty-second Street, for the official inauguration in New York of the Centenary of American Methodism, John McClintock, in his appeal for funds, announced: "I think it right to say that one of your members has set you a noble example. I pray that Daniel Drew's life be spared to see the erection of a theological seminary to which he has consecrated a quarter of a million of dollars, and to which he will give as much more before it is finished. It is a grand start."⁹ McClintock slipped it into his address almost casually, although applause had greeted the announcement. Daniel Drew, who as a vice-president of the Centenary Committee was present and sitting on the platform, had not only already offered a quarter of a million for the buildings and grounds of a seminary, but also would donate "as much more" for a permanent endowment fund—in other words, half a million dollars in all. The banker Stephen Girard at his death in 1831 had left \$6 million to found Girard College in Philadelphia, but rarely if ever had anyone in America given a school a half million all at once in his lifetime. Mindful no doubt that he was fast approaching the biblically allotted three score years and ten, Brother Drew had topped Brother Drew.

Drew's only conditions were that the school be located at his home town of Carmel, that it be named for him, and that McClintock become its first president. This last was a burden for McClintock, who being weary and ill had retired from the ministry in 1865; he consented, however, in order to assure the gift. Sixteen incorporators, half clergy and half laymen, were presently selected, among them Drew and his grandson, to whom, on April 16, 1866, the state legislature granted a charter. The great work was at last under way.

For John Parker the tangible plans for a Drew Theological Seminary must have been encouraging proof that the donor's soul had been

nudged a bit nearer salvation. On Wall Street, to be sure, no such conviction prevailed, although a saying circulated that if Daniel Drew had a soul, it would assume the exact shape of a dollar sign. But it was not greed that motivated Drew. When Parker once urged him to retire from business with his millions, Drew explained: "I continue in business not because I want to make money. People don't understand me. They think I love money. I tell you, Brother Parker, it ain't so. I must have excitement or I should die. And when I get among these money kings, I go in because I don't want them fellows to feel that they can have everything their own way. And when I go in, I go in to win, for I love the fight!"¹⁰

During the immediate postwar period Wall Street still offered plenty of fight and excitement, albeit chiefly among the professionals, since the general public had retired from the Street following the war. In December 1865 the flourishing New York Stock Exchange had moved into a new building at 10 and 12 Broad Street, where its formal auctions of listed stocks continued in a rented hall on the second floor, while downstairs in a large hall known as the Long Room, the Open Board maintained a continuous market in securities. Appropriately, in the exchange's elegant hall lined with green damask, hung a portrait of Jacob Little, who on March 28 preceding had died in near-poverty of a liver disease, having already, it was said, been left demented by softening of the brain. Remembering his dazzling although finally futile career, the Board of Brokers had adjourned to attend his funeral and now set his gilt-framed likeness to survey the operations of his heirs and disciples.

Prominent among the latter was Drew, the Ursa Major of a later day, who on January 12, 1866, got the year off to a bearish start by buying a call for 2,000 shares of Old Southern (the Michigan Southern and Northern Indiana Railroad), permitting him to purchase the stock at 65 within the next ninety days. The seller of the call was the banker Henry Keep, surnamed Henry the Silent for his reticence regarding market operations. A master of pools, Keep excelled in manipulating railroad stocks and in particular Old Southern, of which he was the treasurer. Drew concluded that if Henry was selling calls—options to buy from him at the current market price—on easy terms, Henry must be bearish on the stock. Consequently, like many on the Street, he bought the call and used it as margin to sell the stock short. With Keep committed to the bear side, Old Southern was sure to fall below 65.

But it did not fall; instead, it went up. Astutely, having worked in a large bear interest by selling calls in the sixties, Keep encouraged bulls in the stock by liberally selling puts in the seventies and so by the end of March had forced the price up to 84½. Then on April 4 he and his allies suddenly demanded delivery of all stock loaned to the shorts, who now discovered that scarcely any shares were immediately available. Old Southern, having sold the day before at 89, hit 98 by the end of the day.

Rarely had a corner been engineered so ingeniously; it was worthy of the Old Bear himself.

Hoodwinked like a greenhorn, Drew was trapped. On April 4 the brokerage house of Scott, Capron & Company called on Drew's broker, Groesbeck, to return the 2,000 shares of Old Southern borrowed of it, to buy which at the current market would have meant a heavy loss for Drew. Groesbeck managed to put Scott, Capron off for one day, but to no avail. On the morning of April 5 Old Southern sold at between 97 and 101. At the office of Groesbeck & Company at 30 Broad Street, Grosy informed Drew that Scott, Capron had called again for the stock, threatening to have it bought in at the market price for Drew's account, unless Drew delivered it at once. Slouching in his easy chair in the back room, the Old Bear assumed a most lugubrious look and for a moment ruminated. "We must injine 'em! We must injine 'em!" he declared and over Groesbeck's protest betook himself to the courts.¹¹

That afternoon, at the 2:30 session of the Stock Exchange—the time at which, under the rules of the exchange, any stock due that day but not delivered could be bought in for the account of the defaulting party—an injunction issued by a Superior Court judge at the petition of Mr. Daniel Drew was served on the presiding officer, enjoining Scott, Capron from buying in the stock for Drew's account. In an affidavit sworn to by him that day, Drew declared himself the victim of "a fraudulent combination and conspiracy between divers persons many of them not known to the plaintiff"¹²—Scott, Capron & Company being allegedly among them—to corner the stock of the Michigan Southern Railroad, double its price artificially, and so defraud him. He not only asked the court to enjoin the defendants from buying in the 2,000 shares, but also demanded damages of \$50,000 (the likely amount of his loss at current prices) and a settlement at a "fair" value of the stock.

Confusion engulfed the exchange. Drew's action was declared unprecedented, unfair, dishonorable, perplexing, and unsportsmanlike—one simply did not enjoin the Stock Exchange—and he himself a bad loser, a cheat, and a conniver. Fortunately, the immediate dilemma was resolved when Groesbeck ordered that the 2,000 shares be bought in for his own account, not Drew's, which was promptly done at a price of 98½, Groesbeck being warmly commended by all for his action. Drew, however, then lodged a supplementary complaint, charging that the injunction had been violated, on which grounds he had Groesbeck in turn served with an injunction, to restrain him from using Drew's money in the settlement. At this, Wall Street was scandalized anew: one simply did not enjoin one's own broker! Then, to Uncle Daniel's disgust, Groesbeck paid Scott, Capron on his own account, assuming full responsibility for cajoling his obstinate customer into a settlement.

By April 6, the corner having culminated, Old Southern was abundant again on the market, where it sold for 82. Drew's recourse to litigation, however, continued as the prime topic on the Street and in the press. "As his influence *now* stands," announced the *Times* of April 7, "and with the prevailing feeling against his conduct in Wall Street, it seems doubtful whether he will be suffered to have things his own way much longer, even in the Erie direction"—a prediction of colossal naïveté. When Drew's case against Scott, Capron came up in court April 14, it was continued pending the filing of additional briefs by both parties. No more of it was heard thereafter, so presumably it was dropped, Drew having effected some kind of compromise with Groesbeck, who continued as his broker. Ursa Major, however, had been stung grievously in Old Southern and reacted in an untypical fit of pique. For years to come, his cry "We must injine 'em!" remained one of the jokes of the Street.

By January 1866 the price of Erie had been hoisted to the upper nineties by a pool of bull operators headed by the Speculative Director, who even at this lofty level proclaimed the stock cheap. By early April, however, when it had declined to the low seventies, he declared it overpriced, citing the company's declining peacetime earnings, fierce competition, a burdensome floating debt, and an imperiled dividend. Unknown to the rest of the pool at the time, he had gone heavily short of the stock around 90, calculating that his profits on his own as a bear would far outweigh his losses in the pool as a bull. By May Erie was trading in the sixties, although the market was calm and money easy, with higher stock prices generally anticipated.

Suddenly, on May 28, Wall Street was startled to learn that Groesbeck & Company was settling Drew's short contracts in Erie with brand-new certificates of stock. As rumors of all kinds abounded, traders rushed in droves to dump Erie, which fell ten points to 57, recovered to 62, then the next day plunged to 57 again. The *Times* printed the names of Drew's fellow directors in Erie, from whom it urged Erie shareholders to demand an explanation, while the *Herald* observed laconically, "The conduct of the Wall Street director is severely animadverted upon."¹³ All eyes were on the Erie board meeting held that day, following which the newspapers reported that Drew had advanced millions to the hard-pressed Erie Railway Company and received as security vast amounts of convertible bonds and the equivalent of 58,000 more shares that he might at any moment throw on the market. This was a coup so staggering as to leave his fellow operators (many of whom still held Erie) green with jealousy and black with rage.

The facts of the case proved not quite so astounding, but disquieting

even so. By the act of May 4, 1864, the state legislature authorized the company to increase its capitalization by \$5 million to pay for equipment and construction, and by \$3 million more to retire its first-mortgage bonds, whereupon the company created 50,000 new shares of common stock and 3,000 bonds convertible into stock at par. Of the 50,000 shares of stock, 22,000 were sold on the market, chiefly through the good offices of Uncle Daniel and to the discomfit of his enemies, while the remaining 28,000 shares were pledged to him as collateral for the loan of January 1865, which had not been repaid on maturity. Ever since, the thought of those 28,000 shares pledged to the Speculative Director haunted the market like a phantom. Not totally impervious to criticism, Erie finally negotiated a loan in London, repaid half the debt, and recovered 14,000 shares of the collateral.

So matters stood when in the spring of 1866 the Erie executive committee tackled the perennial problem of the company's floating debt, now totaling \$3.5 million. Not surprisingly, no creditor would lend it any money, except the Speculative Director who, as three times already in the past, generously stepped forward with the offer of a loan, the terms of which were formally proposed on May 25. Drew would lend the company, at any time within the next four months, up to \$3,480,000 in such sums as the company requested, each loan to be secured by the company's convertible bonds or stock at its option. It was stipulated, however, that Drew need not return the specific collateral given, but rather the same in kind and amount, including stock if the bonds should be converted. This astonishingly liberal arrangement left Drew free to play fast and loose with the loan's collateral. This contract was submitted to the full board on May 30 and approved, following which the details of it broke in the press.

When it was understood that the Erie board had agreed to hand over the equivalent of 58,000 shares of stock to the man whom many considered the Street's most unscrupulous operator, there rose up on all sides a cry of shock, disbelief, and outrage. "Very discreditable financiering," declared the *Herald*, while the *Commercial Advertiser* denounced "a shameless recreancy to weighty trusts" by a "corrupt and imbecile management."¹⁴ The *Times's* criticism was blunted slightly when President Berdell invited its representative to the company office for more accurate information, explaining that the company would probably not borrow the full amount and that it hoped to recover the collateral at an early date. While the *Times* noted with satisfaction that the stock held around 60 and therefore disappointed short sellers who looked for 55 or 50, it still joined the rest of the press in denouncing Drew's stockjobbing and the board's complicity in what it labeled a "monstrous iniquity." Commented on by everyone was the remarkable way in which almost all of

the \$8 million increase in Erie's capitalization granted by the state legislature in 1864 had now been made to serve, in one fashion or another, the ends of Director Drew.

But the most pointed question of all, raised repeatedly by the entire press in chorus, was how such reputable men as Drew's fellow directors could lend themselves to this dubious transaction, or for that matter tolerate Drew's sly maneuverings over the past thirteen years. The men on the Erie board had solid reputations. Dudley S. Gregory had been three times mayor of Jersey City, had founded two banks there, and was important in New Jersey politics; J.C. Bancroft Davis, the road's counsel, was a lawyer of considerable reputation; J.F.D. Lanier was a noted banker and railroad promoter; Ralph Mead was a successful wholesale grocer and, with Drew, a pillar of the St. Paul's Methodist Episcopal Church; and the road's respected vice-president, Gen. Alexander S. Diven, was a longtime railroad promoter, contractor, and politician, an organizer of the Republican Party who had raised a regiment and fought in the war, and a leading citizen and later mayor of Elmira, New York. As for Robert H. Berdell, the president, prior to his present office he had headed the Long Dock Company in Jersey City, which operated the Erie's eastern terminus, and had managed that company's difficult affairs with success. And so on down the list of the entire sixteen fellow directors, all honorable men, successful, affluent, and esteemed, who capped their habitual tolerance of Drew's rascality by approving this extraordinary loan. Why had they done it?

Ostensibly, Erie's credit was so flimsy that no other lender was available. This begs the question, however, since the loan from Drew was only a temporary expedient. As always, more crises lay ahead, with the company's reputation further impaired by the surrender of its securities to Drew. Some of Drew's fellow directors may have been following his lead in the market, while others were no doubt preoccupied with their own self-serving ends—lucrative contracts or special rates from the railroad—and for this reason turned a blind eye to Uncle Daniel's misdeeds, on condition that he overlook their own. Still others, perhaps even the majority, were honest, but too immersed in their own affairs to keep abreast of developments in Erie, at whose board meetings they voted docilely for whatever the president and the executive committee recommended. As for Director Cornelius Vanderbilt, he rarely attended meetings at all; having other pressing matters to attend to, he resigned from the board in September.

Under these circumstances, with no strong personality dominating Erie as Vanderbilt now dominated Harlem, control of the company's affairs rested with the seven-man executive committee and the president, so that Drew, always on hand with his persistent liquidity and charm,

had only to win over the president and two or three fellow directors to determine policy. In President Berdell, as in Homer Ramsdell before him, Drew had either a willing confederate or what the *Times* of June 9 termed a "soft customer." Certainly he was easily managed or got round, even to the point that (and it was told as a joke on the Street) when Berdell had recently issued a bullish statement on the company's affairs, Drew, having consulted an Erie accountant, put out a bearish report of his own. And when William Evans, the Erie director in London, queried Berdell in mid-June about the stock's recent plunge to 57, the president wrote him that Erie had been the victim of "a desperate raid" based on false and exaggerated rumors, yet failed to name Drew as the culprit, an omission so astounding that Berdell cannot escape the charge of complicity.

Indeed, they were all "soft customers" and accomplices, these board members who for over a decade had tolerated Drew and even abetted him, while with only one notable exception, in 1857, the stockholders acquiesced in their actions. Given the perennial slackness and indifference in Erie, one concludes that over the long run the Erie stockholders deserved the management they got, and the management deserved Daniel Drew. Without the endless pliancy and passivity of others, Uncle Daniel could not have been Uncle Daniel.

Ironically, Drew's 1866 coup in Erie was not the unmitigated success that his contemporaries described and denounced. To be sure, in the heavy trading of May 28 and 29, when Erie plunged to 57 twice, he covered his short contracts for a vast profit, the fresh certificates then delivered being presumably some or all of the collateral for the earlier loan. However, with the new loan pending but not yet known to the Street, he continued to short Erie in expectation of a further decline. At these low prices his contracts were taken eagerly by a ring of bulls just formed by a speculator named William H. "Billy" Marston, whom a contemporary described as "a portly gentleman, with a twinkling eye and great fondness for bidding stocks up five per cent at a leap."¹⁵ Marston, in the face of Uncle Daniel's rumors and wiles, bought Erie heavily, so that it did not collapse at the announcement of Drew's new loan but held steady throughout June and actually began to rise in July. What had become of Drew's "coup"?

Probably it had been more fiction than fact. Some of the 58,000 shares had already been used to close out his earlier contracts in May, and much of the remainder quite possibly had not yet come into his possession, since it was to be delivered only if and when Erie requested installments of the loan. The 58,000 shares of stock were, in other words, a bluff, and Marston and his friends boldly called it. They kept buying,

no avalanche of shares hit the Street, the stock rose to the seventies, and by mid-July Drew had been cornered in Erie. His triumph had turned to ashes.

Or had it? Suddenly the Old Bear made terms with Marston and his ring, compromised his contracts at a loss, and secretly joined with them in putting Erie up. (The switch was not without difficulties; claiming that Drew had welshed on \$100,000, Marston brought suit until a settlement was reached.) In early October Erie hit 96, at which point the ring took its profits, of which Marston's share was close to a million. Drew, however, made sure that his broker went to the election on October 9 amply armed with stock, and to appease the board's belated scruples, handed over to Erie \$1 million in securities as a guaranty of his collateral on the loan. As a result, rumored opposition evaporated, the election passed quietly, and the old direction remained in control.

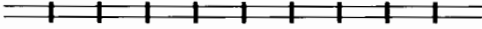
Meanwhile, Billy Marston's twinkling eye had never gleamed so bright. All that fall he and his fellow bulls strode merrily in fashionable attire through the halls of the elegant Fifth Avenue Hotel, a favorite haunt of speculators, and quaffed champagne at Delmonico's. Yet their alliance with the Old Bear, which continued through the winter, was not an easy one, for who could trust Daniel Drew? Bouck White tells an anecdote, unverified, that if authentic must date from this period.

As the story goes, Marston, suspecting (and rightly so) that Drew, his supposed partner, had been saddling him with Erie in the market, went one morning to meet Drew in Drew's office, and upon entering, immediately locked the door. He then informed Drew that he had told his brokers to buy Erie, and while they did so he was going to keep Drew under lock and key, so as to find out once and for all if it was Drew who kept mysteriously supplying him with stock. Drew protested, Marston insisted, and a heated argument ensued, with Drew pounding his fist repeatedly on the table. Finally, when trading at the exchange had ended, Marston unlocked the door and went to get a report from his brokers, the contents of which Uncle Daniel could readily anticipate. Expecting trouble from Marston, he had instructed a clerk to stand outside the door to his office, and every time he heard a blow on the table, to send word to his brokers to sell a thousand Erie. In this fashion Marston had been stuck with quantities of Erie, far more than he had the means to absorb. Drew had to let him off with paying only part, and in so doing revealed the trick and had a good laugh.

Maybe in some form it happened, maybe not. It is known for certain that in the winter of 1866-67 Marston bought heavily in the stock of several railroads, Erie included, gambling hugely on a rise. In late January a panic swept the market, and the clique of Erie bulls was wiped out. Marston is said to have failed for \$600,000—by one account, be-

cause Drew had sold him 20,000 Erie at top prices, breaking the ring and pocketing a million. Thereafter Billy Marston was still to be seen on the Street, more fertile in schemes than resources, being in the Street's parlance a "dead duck"; he filed for bankruptcy in 1870.

Reckoning up his accounts for 1866, Uncle Daniel, in view of the Old Southern corner and Marston, had to concede some reverses. But there were consolations: he had endowed a seminary, skinned the Street on both sides of the market, bounced back from a loss, and still had Erie on a tether. Sitting in the back room at Groesbeck's, his feet on the mantel, before a grate of glowing coal in the fireplace, the old man purred with contentment: all his eggs had two yolks.



Uncle Daniel's Little Railroads

Punctually at 6:00 P.M. on Tuesday, April 23, 1867, the last and most splendid of the new trio of People's Line night boats put out for the first time from its North River dock amid a chorus of steamboat whistles and in the failing sunlight, with the air cool and lazy under a clear sky, headed up the river toward Albany. In honor of a gentleman whom the *World* termed "one of the fathers of navigation enterprise on the Hudson,"¹ this new \$800,000 marvel had been christened the *Drew*. Appropriately, the People's Line president and his family were aboard, occupying the two elegant bridal rooms. On board also, in addition to passengers, were over a hundred invited guests, including members of the press and the contractors who had provided the boat's lavish furnishings, for whose entertainment a champagne supper was provided, and after that, cigars and wine for the gentlemen.

When not so occupied, the guests could feast their eyes as well on a ladies' saloon in the "Pompeian style"; on a main saloon in the "Alhambric style"; and on the main saloon's ornate entrance, where, passing between a pair of bronze statuettes designated Seedtime and Harvest, they could mount a magnificent staircase with a balustrade of Santo Domingo mahogany, and on the first landing behold a portrait of imposing dimensions, paneled on either side with ebony and satinwood: the life-sized head and shoulders of Uncle Daniel himself, his pinched face with its thin fringe of whiskers looking fearfully solemn and distinguished.

Portrait, staircase, and saloon received ample praise on the leisurely run up to Albany, where the *Drew* was visited by more gaping throngs and was hailed on departing by a chorus of shrill-whistled tugs and fer-

ryboats, and by a lusty little cannon that belched forth a salute from the dock. It would have been only human if the vessel's owner took the reception as a gesture toward himself, and even more human if he reveled in the thought of the thousands of travelers who for years (in actual fact, decades) would admire his boat and his portrait. Vanderbilt's massive ego had long since required a flotilla of river and ocean vessels bearing his name. Surely it was fitting that a second floating palace be named for the president of the People's Line.

Honor greeted him in Methodist circles too, as the great benefactor of the church's centenary. In Port Jervis, New York, a Methodist congregation composed chiefly of Erie Railway employees and their families had named a new church for him in 1866. But honor was his most of all in Old Put, where he was esteemed as the ragged farm boy turned drover of another era who was now worth a reputed \$13 million; esteemed also as the area's biggest landowner, who throughout the decade was buying stock farms in Carmel and Southeast and installing tenants; and esteemed finally and above all as the chief local benefactor who in 1866 had established the Drew Female Seminary, situated on high ground just south of Carmel village with a fine view over Lake Gleneida, an idyllic setting for the instruction of Christian young ladies. And of course the theological seminary was anticipated.

Honor and esteem had embraced all the Drews and their relations who peopled that corner of the county. Thomas Drew was now the respected president of a bank newly organized in Brewster by a banker son-in-law. Drew's daughter Catherine lived in Carmel village as the self-effacing wife of the Rev. William S. Clapp, the indefatigable Baptist minister of Carmel, who through sermons, a library committee, lectures, and midwinter baptisms by full immersion through the pierced ice of Lake Gleneida, sought to achieve the spiritual, moral, social, cultural, economic, and even political betterment of what he candidly described, in a statement to the local paper, as "this rather indifferent and backward community."²

Less of a moral shadow was cast by the younger generation, including Drew's son and namesake grandson, and his granddaughters and their affluent husbands, these last a gilded youth new to the county, drawn there by the urban itch for rusticity and the convenience of the Harlem Railroad. So far, Drew's son Bill, having married his young cousin in 1862, seemed quite content to live in Drewville as a farmer. Daniel Drew Chamberlain, Drew's eldest grandchild, having thrived on Wall Street from the commissions on his grandfather's wartime speculations, had bought the Clift farm from his grandfather in 1863, torn down the old Clift farmhouse (the site of Daniel's first conversion), and raised in its stead an ample Italian-villa-style mansion where he lived as a weekend country gentleman. But if he kept fine horses that he raced at the new

trotting park on the fairgrounds, there was no cause for alarm, since Danny was a good churchgoing Methodist who gave generously to the local churches and library, and at twenty-six was a trustee of Wesleyan University. In all Drew's progeny, morality and respectability ran deep.

Still, the old man might have resented this smoother generation, who surely viewed him as a distinctly rough article. His own youth and early manhood had been bleak and gritty, and his religion had involved no spruced-up Sabbath gentility, but glimpses of the fiery pit climaxed by a thunderbolt. Yet Daniel was an indulgent father and grandfather, not an autocrat like Vanderbilt, who tyrannized everyone around him and who for two decades banished his unpromising eldest son to a Staten Island farm. Milder and kindlier, Drew sought to help the young men of his family, not judge and challenge them. He had fixed up Danny and William Everett, the husband of the eldest granddaughter, with good jobs at Groesbeck's in Wall Street. And in 1867, when Danny decided that he would prefer a smaller estate, Drew gave him a note for \$100,000 and had him deed the 386-acre Clift farm to Bill, whom he thus set up as the most prominent gentleman farmer in the district. Daniel himself still visited the vicinity on weekends and holidays, and for longer stretches in the summer, living modestly on a farm southwest of Drewville. He liked to see his kin and chitchat in the Brewster barbershop, while keeping an eye out for stock farms for sale. Plain old Dan Drew, but still the biggest man in the county.

If local esteem, seminaries, and steamboats were the soup and nuts of Daniel Drew's existence, railroads were the meat and potatoes. These included not just the Erie but also lesser lines, those frail little enterprises, long on hope and short on finances, that sprang up in abundance in the sixties, promoting themselves as vital links or strategic feeders for the bigger systems, as highways to untapped resources: ingenious little pie-in-the-sky concoctions that fired up local interests, sucked in funds by the millions, trapped the unwary, and enriched a few.

Such was the Adirondack Company, chartered in 1863 as a land and development company authorized to acquire a million acres of state land—one-fifth of the Adirondack Mountains—in order to develop the iron ores and minerals found there. Although not among the original incorporators or subscribers, Drew was one of a number of prominent financiers soon recruited for the board by the company's chief promoter. This was Dr. Thomas C. Durant of New York City, the railroad contractor, stock market operator, and prime illusionist whose vision and dogged persistence was forcing the Union Pacific Railroad to completion, but who found time on the side to launch this grandiose endeavor in the North.

To tap the vast mineral resources that presumably awaited its com-

ing, in the spring of 1864 the Adirondack Company began constructing a railroad north from Saratoga Springs to it was not quite clear just where—maybe Canada, in order to bind that nation commercially to the United States. The project was highly regarded. Henry V. Poor's *American Railroad Journal* recommended it, and the *Times* declared that it would make the Adirondacks "a suburb of New York."³ At a cost of \$2 million, by 1865 the company had exactly one engine and six freight cars in operation on twenty-five miles of track, nothing more being possible in the face of fearsome winters, rugged terrain, soaring expenses, and overwhelming debt. So the truth filtered out that the Adirondack Company was a huge overblown fantasy, a dubious, debt-ridden venture building a railroad from nowhere to nowhere, with its prospects hazy, its promotion close to fraudulent, and its profits nil. Inevitably, it defaulted on its bonds and on November 1, 1865, was seized by trustees.

In the mid-1860s, however, dreams died hard. To reinflate the venture, financial wizardry was called for and an expert was at hand. Throughout the following winter Daniel Drew, as the new head of the board of directors, labored with the trustees to salvage the enterprise. Did he really believe in it? Perhaps; but long experience with the Erie had made him a past master at resuscitating moribund railroads on terms beneficial to himself. By dint of great effort the most pressing debts were paid, more money was raised, construction was resumed, and hopes revived. By 1871 the line had advanced sixty miles to the crude little village of North Creek, the last town of any consequence in the upper Hudson valley, where, for lack of funds, construction stopped once and for all. The fabled riches of the Adirondacks remained inviolate, while in 1873 the company collapsed again in the panic. But Uncle Daniel was not inconvenienced, having left the board by 1869.

If the Adirondack Company had dreamed of iron in the mountains of upstate New York, the Buffalo, Bradford, and Pittsburgh Railroad yearned for coal in the mountains of northern Pennsylvania. Although the original promoters had hoped someday to link Buffalo to Pittsburgh, they at first projected a mere twenty-four-mile railroad running south from Carrollton, New York, on the Erie line, to the coal mines of Lafayette Township in McKean County, Pennsylvania, a modest effort that even so was only half completed when the outbreak of the Civil War made further financing impossible. For nearly three years the little line stagnated, until President Nathaniel Marsh of the Erie discovered it. Indignant at the high wartime prices for coal exacted by producers, he thought he had found the ideal solution for the Erie in this little railroad and the coal lands adjoining it. At his suggestion, in 1863 he, Drew, and three other Erie men bought the road, finished it, and acquired some

nine or ten thousand acres of adjacent coal lands, all for a cash outlay of a million dollars or less.

Immediately, the Erie signed a contract with the Buffalo, Bradford, and Pittsburgh for the supply and transportation of coal. Announcing the line's opening, Erie's annual report of 1864 fairly glowed: coal, iron, and timber were to be obtained in almost inexhaustible quantities and Erie's own fuel supply assured. Then, in a moment of prudence, President Marsh sent Erie's assistant general superintendent to inspect this little gem of a property, and he received a startling report: whether the mines had been misrepresented or their working had proved impracticable, there was no coal there to be had.

What does one do with a heavily mortgaged twenty-four-mile railroad built to fetch coal, when there is no coal to be fetched? President Marsh dodged the issue by dying suddenly on July 18, 1864, leaving his fellow investors to cope. Led by Drew, they coped. Above all, they observed a marvelous reticence regarding the nonavailability of the coal, although the truth may have begun to leak out. Just in a nick of time, then, Uncle Daniel brought his suasive abilities to bear on the Erie. As a result, on January 5, 1866, the Erie Railway Company signed a 499-year lease of the Buffalo, Bradford, and Pittsburgh line, assuming its \$2 million mortgage and guaranteeing the interest on its bonds. This was a remarkable bit of financial legerdemain in which Drew and his partners figured as both lessor and lessee, and one among them as the counsel of both railroads and the smaller line's trustee. Coal or no coal, the original purchasers of the useless little railroad now had only to sit back and divide up their guaranteed \$140,000 a year—unless as Erie directors they chose, under a new state law, to convert the leased railroad's securities into stock of the Erie, which someday the Speculative Director just might find it handy to do. No wonder he was fond of little railroads.

In striking contrast with the visionary schemes of Durant and others was Drew's own pet project, the Saratoga and Hudson River Railroad, which was incorporated on April 16, 1864, with a capitalization of \$1.5 million, a practically conceived venture that he promoted in the most hardheaded way. This was a thirty-eight-mile road projected from a point near Schenectady on the line of the New York Central, with whose encouragement it was surely undertaken, to the Greene County village of Athens, on the west bank of the Hudson thirty-five miles below Albany. The object of this little branch railroad was to establish a more southerly terminus for the People's Line that would be free of ice longer each winter and that would avoid the shoals just south of Albany that in times of low water hampered navigation. Also, by laying tracks right to the water's edge, the new line could eliminate the delays inevitable at Al-

bany in transferring passengers and freight between the boats and the trains. Furthermore, by linking up with the Schenectady and Saratoga Railroad, it could offer a faster service to and from Saratoga, New York State's most fashionable resort. So sound was the project's conception that Drew got the unkillable Cornelius Vanderbilt—and this at the very time when the Second Harlem Corner had set them at odds in the market—to subscribe to 3,301 of the original 15,000 shares and to serve as a director. Drew himself, the company's future president, took 3,700 shares, probably with the understanding that between them they could control the company. And with Vanderbilt behind it as well, how could the project fail?

All through 1865 work on the little railroad proceeded, so that by March 1866 the track was laid, two locomotives were in operation ("No. 94" and the "Drew"), and the line was ready for business. Jutting into the Hudson one mile north of Athens was a 1,845-foot pier, on which stood a freight warehouse and a richly furnished passenger depot. Nearby, the streets of a new village were being laid out, and a complete gas manufactory was being built to supply the People's Line night boats with their requirements for illumination. With the world suddenly pounding on its door, sleepy little Athens had awakened and braced itself for imminent prosperity.

At the opening of navigation, however, no steamboats came to Athens; throughout the season they plied to Albany as always. No explanation was given to the public, but it was whispered in financial circles that the delay was the work of one man, a financial giant whose own evolving interests now made of him a deadly adversary of Daniel Drew's little railroad, which he had vowed to destroy. The man was Cornelius Vanderbilt.

Over the past few years, while the Old Bear had been dabbling with little railroads and manipulating Erie, the Commodore had been building an empire. In amassing it, he evidenced not only shrewd business instinct, blunt determination, ever widening vision, and flexibility, but also an acute sense of timing. Having scorned and ignored the railroads in their infancy, in their troubled adolescence he had utilized them chiefly as extensions and connections of shipping routes. Only in the 1860s, with their necessity and potential apparent, and the time for consolidation at hand, had he committed himself to them fully. Just as young Cornele years before had sensed when to get out of sails and into steam, so now the mature Vanderbilt, pushing seventy, knew when to desert steam vessels for the transcendent promise of the rails.

Vanderbilt's operations in Harlem stock in 1863 and 1864 were not speculative in origin, but the result of a shrewd decision to acquire and

operate the New York and Harlem Railroad, which, even without the Broadway franchise, he had immediately set about to transform into a paying property. Once the shabbiest of fancies, Harlem stock soon came to be highly regarded on Wall Street. And since the Commodore viewed competition from the Hudson River Railroad as the chief obstacle to the Harlem's prosperity, in June 1864 he and his allies took over the Hudson line too, of which he became president a year later. Competition between the two roads ceased, and rates and schedules were adjusted. "I tell Billy," the old man was fond of saying, "that if these railroads can be weeded out and cleaned up and made shipshape, they'll both pay dividends."⁴ Both did, and regularly, at 8 percent.

Master of the Hudson and Harlem, Vanderbilt now found his interests in direct conflict with those of Drew, whose People's Line also carried passengers and freight between New York and Albany. For years the People's Line and the New York Central Railroad had enjoyed a cozy alliance whereby the railroad, for eight or nine months of the year, gave to the People's Line the bulk of its traffic from the West, relying on the connecting railroads only in winter when the river was closed. This irked Vanderbilt, especially when he learned that Central employees routinely altered the markings on eastbound goods from "all rail" or "carriage by railroad" to "PL" for People's Line. As for Drew's new little branch line, built with the Central's blessing and sure to steal traffic from his own roads, the very thought of it galled the Commodore, especially since, owing to an appalling lack of foresight on his own part, it had been financed with nearly a third of a million dollars from himself. Clearly, something had to be done about the Central and about that little branch line, too. He said so in a very loud voice.

Daniel Drew was heartsore to learn that his old friend Cornele Vanderbilt was aggrieved by his little thirty-eight mile railroad, but he happened to think it a peach of a line, and so did the New York Central. Vanderbilt bought some stock in the Central and worked out an agreement with it that gave his Hudson line a share of the freight, but he could only fume and bluster when, in late May of 1866, the Central took a perpetual lease on the Saratoga and Hudson River Railroad at \$120,000 a year. Financially, Drew was now sitting pretty. Whatever the fate of his branch line, he was sure of an income from the Central.

Mysteriously, that year the branch line never opened nor did its organizer complain of the delay. Perhaps Vanderbilt had been lucky: Drew and the Central had failed to reach an agreement regarding the connection of the boats with the trains. Or maybe Vanderbilt had been lucky like a fox, paying Drew not to send his boats to Athens for the season. After all, Drew may have reasoned, since he had unloaded the branch line on the Central, why turn a cold nose to some cash from the Com-

modore? Yet for one so competitive, such docility would be surprising. Vanderbilt, meanwhile, was swearing that the line would never open, and with this in mind he whipped up the citizens of Albany and Troy, who, fearful of losing business to Athens, talked down the cutoff as impractical and dubbed it the "White Elephant road."

In December 1866 a faction headed by the Wall Street speculator Henry Keep took control of the New York Central. Keep had battled Drew in the stock market, but as one of the original backers of the Saratoga and Hudson River Railroad, he was furious at Vanderbilt for his hostility to the branch line. Consequently it was he, not Drew, who squared off with the Commodore, canceling all the Central's agreements with Vanderbilt and throwing his representatives off the board. It was midwinter, however, and Vanderbilt retaliated by severing the Hudson line's connection with the Central at Albany, so that passengers had to cross the frozen Hudson on foot in the severe cold and a snowstorm. This arbitrary act quickly brought the Central to terms, despite denunciations of Vanderbilt by the public, politicians, and the press. Summoned to testify before the state assembly at Albany, Vanderbilt informed the assemblymen: "I for one will never go to a court of law when I have got the power in my own hands to see myself right. Let the other parties go to law if they want, but by God I think I know what the law is; I have had enough of it."⁵ (This candid statement the journalists of the day transformed into a much-quoted declaration—"Law! What do I care about law? I got the power, hain't I?"—that Vanderbilt almost certainly never made.) Asked about the Athens road, the Commodore admitted that it "was one of the foolish acts of my life, but I don't cry about it," and asserted that he didn't care if they built forty roads to Athens, since the Hudson line could take care of itself.⁶

Rankling from his recent humiliation by Vanderbilt, President Keep of the Central declared that he would open the Athens branch and the Commodore be damned! Uncle Daniel was willing, but he balked when Keep demanded that he commit his best boats to the run, including the prestigious new *Drew*. This lavish vessel was costly to operate; would the cutoff provide enough business? When Keep insisted, however, Drew agreed.

At long last, on May 13, 1867, the *Dean Richmond* and the splendid new *Drew* began connecting nightly at Athens with a special New York Central express train bound for the North and the West, while two other People's Line vessels maintained the service to Albany. Some observers pronounced the new route an immediate success, and as if to confirm it, on June 27 the board of the New York Central voted to exchange Central stock for that of the leased line, thus giving both Drew and Vanderbilt about a half million dollars' worth of a highly esteemed security. Once again Uncle Daniel had turned a risky little railroad into gold.

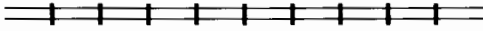
But Vanderbilt was not done with it. Angrily he was telling all and sundry that the People's Line could only lose money by running two separate night lines and that if he had his way the branch line would be discontinued and its track ripped up. Cries of triumph erupted in Albany when on May 20, after only one week on the run to Athens, the luxurious *Drew*, apparently for want of business, was switched back to the Albany route, being replaced on the new run by an older and smaller vessel. Then in June Capt. Joseph W. Hancox, that enduring thorn in Drew's side, announced that his newly organized night line to Troy and Albany had slashed its rate to one dollar, which forced the People's Line to do the same. Rumor had it that Vanderbilt was financing him. All summer Hancox urged the Albanians to support his boats so as to force the People's Line to abandon Athens for Albany, while his *Connecticut* raced the *Drew* repeatedly. This challenge ended abruptly in September, when a chain of mishaps disabled all three of his vessels.

The calamities of the Troy line, however, were of little help to the White Elephant, which prematurely suspended passenger service as of September 25, when the People's Line resumed operations to Albany exclusively. Vanderbilt, it seemed, had been right: there was not enough business to support service to both Athens and Albany. "Huge as an elephant though it was," declared the *Albany Evening Journal*, "it has from the first been white as a ghost, and doomed to die. The friends of the deceased have our heartiest sympathies."⁷

In the face of such taunts, Drew and Keep may well have determined to give the branch line another try the next season, but across their plans fell the lengthening shadow of Vanderbilt, who was steadily acquiring stock in the Central. While the assembly's Railroad Committee had branded Vanderbilt's severing of his connection with the Central a "high-handed and uncalled-for act," certain prominent stockholders of the Central had drawn other conclusions—namely, the advantages of a consolidation of their line with the Hudson and Harlem under the mighty hand of the Commodore. As a result, in the December 11 election Henry Keep and his friends were swept out and Vanderbilt men were swept in. Central stock surged on the market; Vanderbilt became the president; and the Central and Hudson lines functioned thereafter as a unit. Commodore Vanderbilt had taken over railroad number three.

For Daniel Drew, the consequences were grave. Dead for all time was his comfortable arrangement with the Central, giving the People's Line priority in passengers and freight. Dead too was the through route via Athens. Restricted thereafter to local freight traffic, the White Elephant did a meager business at best while the little village of Athens lapsed into somnolence.⁸ Having received a half million's worth of New York Central stock, Drew had not suffered financially from his Athens investment. But in view of these fresh setbacks—the loss of business to

Vanderbilt's railroads, and Vanderbilt's killing off of his pet little scheme of a branch line—Uncle Daniel, still smarting from his Harlem defeat of four years before, felt something less than affection toward the Commodore. His grievances, however, were soon to increase, and for the most startling of reasons: Vanderbilt had set his eye on railroad number four—the Erie.



The Great Erie War: Preliminaries

The reason why I bought Erie [Vanderbilt later explained] was, there was a lot of people in the Street that called themselves my friends, came up to me and pressed me very hard to go in with them. It is altogether out of my line. "Damn your pools, I don't know anything about it anyhow." But I declined going in the pools. I says, "If you want me to help you, I will." I had some loose money. "If you want me to help you along with your Erie, I will help you along." And they got me engaged in it, and I bought a pretty large amount of Erie—but on no such idea as ever taking possession of the Erie road—not the slightest.¹

All of which makes of Cornelius Vanderbilt, that prodigious consolidator of railroads, a prodigious liar.

Vanderbilt's interest in the Erie resulted from an inexorable process of logic. Master now of the Central, the Hudson, and the Harlem, in only four short years he had acquired the biggest railroad empire in the country. In so doing, he probably acted only half consciously, motivated at each step by an obscure but sound instinct. To make the Harlem pay, he must have the Hudson; to make the Hudson pay, he must have the Central. Therefore, to make the Central pay, he must have—what? Ultimately, perhaps a connection to Chicago; already there was talk of it. But for the moment he was a New York-Buffalo carrier and as such had one major rival for the traffic of the West, with whom the Central had already waged innumerable and costly rate wars—the mismanaged, debt-ridden Erie. Yes, to make the Central pay, he must have the Erie.

Not that he intended to seize outright control of the Erie. Given its stock capitalization of over twenty-five million dollars, this would have been extremely difficult, and in any event it was not his style. His initial goal was simply to acquire enough shares to give him a voice in its management. This he undertook to do in the late summer of 1867, even before he had consolidated his hold on the Central. That the Central would soon be his he had little doubt; therefore it was time to take its rival also in hand. And so he began buying Erie.

To take Erie in hand, however, was to challenge Drew on Drew's own preserve. This was a perilous undertaking that would have deterred many men, but not Cornelius Vanderbilt. The Commodore declared his intervention to be a moral necessity. Even though, during his many years on the Erie board, he had remained immune to stockholders' complaints of mismanagement, he now suddenly endorsed the opinion that the company had paid too high a price for Drew's moneyed friendship. Indeed, he could not agree more with those who thought it scandalous that the company's stock was now shunned as a serious investment and abandoned to Wall Street operators, in witness of which, being "on the Street," Erie was known as the Scarlet Woman of the Stock Exchange. Clearly, to make an honest woman of her, it was necessary once and for all to throw Drew, President Berdell, and all their associates out; the time for reform had come.

These noble sentiments were likewise voiced by a group of Boston capitalists who had also acquired a large block of Erie stock. These gentlemen were associated with the Boston, Hartford, and Erie (B, H & E) Railroad. Projected as a feeder and connection for the Erie, this line was to run from Boston via Hartford to Fishkill on the Hudson, where it would be linked by ferry with Newburgh, the terminus of a branch of the Erie. Theoretically, immense benefits would redound to both railroads upon effecting this connection, which would tie Boston to the Pennsylvania coal fields and the West while bypassing New York, at the same time giving the Erie a New England rail connection comparable to the one possessed by its rival, the Central. With this in mind, in December 1865 the B, H & E proposed that several Erie directors join its board (to which Erie had generously consented), and then, in June 1867, that the Erie guarantee the interest on \$6 million of its bonds on the security of future traffic, the receipts of which would be set aside to repay the Erie.

This proposal came from a railroad of which nearly a third of the track had yet to be laid, a railroad burdened with no less than ten mortgages, and which, having cost \$20 million already and incurred \$10 million of debt, in 1867 would earn exactly \$369,577. The Boston, Hartford and Erie Railroad was more fiction than fact, and infinitely more ailing than the Erie, whose own strained resources it was grasping for in bumptious

desperation. To his credit, Robert H. Berdell was hostile to the notion from the start. Nevertheless, on June 5, 1867, an amended proposal to guarantee \$4 million of bonds was endorsed by a board vote of 9-6, Drew being among those approving. The contract between the two railroads, however, had yet to be signed, nor would it be prior to the Erie election, which gave the Boston adventurers a large stake in the contest and especially in the ousting of Berdell.

It was ill news for Uncle Daniel that with the election approaching, not one but two parties were in the field against him: Vanderbilt and the B,H & E clique. As it happened, no one of the three contending groups could control the election, but any two by banding together could overwhelm the third. Although in the past he had often allied himself with Drew, Vanderbilt was not inclined to do so now, given Drew's bearish propensities in Erie and the fact that Drew, by producing a money stringency, had recently impeded his own bullish moves in the market. So Vanderbilt joined with the Boston men to draw up an opposition slate of directors with B,H & E president John S. Eldridge as president of the Erie, while excluding Drew, Berdell, and most of their cronies. To further their cause, the Vanderbilt party even prepared to petition the courts for an injunction to restrain Drew from voting the 58,000 shares of stock that he had received as collateral for the 1866 loan.

As the date of the election neared, both sides solicited proxies energetically—in fact paid for them, since many Erie shareholders, or the brokers in whose name their shares were held, offered them to the highest bidder. Collecting proxies for the Drew-Berdell ticket was their fellow director Frederick A. Lane, a lawyer and market operator who had forced his way onto the board by amassing proxies in the previous election. Having accumulated proxies once again, however, Lane attempted to extort payment for his continued loyalty and when he failed to get it, sold the proxies to Vanderbilt, an act of treachery that many on Wall Street thought rather a good joke on Drew. Uncle Daniel's defeat now seemed assured. Some few of the old directors might be suffered to remain, announced the *Times* (whose financial editor was actively working for Vanderbilt), but only on condition that they not oppose a thorough reform of the road's finances. New days indeed for Erie.

That at long last he should be divorced from his corporate spouse of fourteen years was inconceivable to Daniel Drew. What other money tree could he shake so handily? His discomfitures in Old Southern and Harlem were telling proof of the pitfalls awaiting him, once he set foot beyond this magical terrain. And so, with the election scheduled for Tuesday, October 8, on the preceding Sunday he went to see Vanderbilt at the Commodore's handsome red-brick Greek Revival residence at 10 Washington Square. Vanderbilt started the meeting off on a merry note by showing Drew the complaint and proposed injunction that he was

prepared to use against him. There followed on Drew's part an outpouring of whines, cajolery, and appeals to sentiment, seasoned with promises of good behavior and the offer of an alliance in Erie (he would end his speculations in the stock or let Vanderbilt in on them), the whole of it well calculated to tug the Commodore's heartstrings and enlist his self-interest. Sentiment may or may not have softened Vanderbilt, but it occurred to him that Drew might be less dangerous on the inside as a friend than on the outside as an enemy, and that if secured as an ally, this veteran operator could be played off against the Boston clique to the Commodore's advantage. Vanderbilt therefore agreed to let Drew remain on the board and even assume the office of treasurer, on condition that his bear raids cease once and for all and that he serve as a loyal ally. To all this Drew readily assented and went home reassured.

That evening, when Eldridge and one of his allies, a young New York broker named Jay Gould, were summoned to 10 Washington Square to hear of Vanderbilt's change of heart, they reacted with astonishment and outrage. Strong words and hot argument ensued. Still later that Sunday they all convened at 41 Union Square, where Vanderbilt consulted secretly with Drew in the back-parlor dining room, while the others waited in another parlor in front. After a lengthy discussion, the dissidents were brought round by a threat from Drew and Vanderbilt to join forces against them and leave them out in the cold. That same evening a written agreement was drawn up and signed, stipulating that, to save appearances, since the Eldridge clique had committed themselves to the ousting of Drew, the new board should be elected without him, following which a Vanderbilt man would resign, so that Drew could replace him and at the same time be elected treasurer. That night, when his visitors had left, the Old Bear slept better. Although he had grievously broken the Sabbath, he had also shattered the conspiracy against him, or rather wormed his way inside it.

On Tuesday October 8 the Erie election proceeded as arranged. Drew, Berdell, and most of the old board were ousted as the "reformers" took over and elected Eldridge president. The first act of the new board was to approve unanimously the contract with the B, H & E, immediately following which one of the Vanderbilt men resigned, whereupon Drew was chosen to replace him and was elected treasurer. All of this left Wall Street confused. The *Times*, in a quick flipflop, approved of Drew's election as treasurer, while the *Herald* proclaimed the proceedings a "farce."

Among the old faces on the board were Drew, Vice-president Alexander S. Diven, and the treacherous Lane. Among the new faces were Eldridge and three other Boston men; Eldridge's brother-in-law, Henry Thompson; Frank Work, a Vanderbilt lieutenant; and two unknowns whom the papers identified as "J. Gould" and "Fisk," "Fiske," or "Fish."

The latter was of course Jim Fisk, the rollicking Green Mountain Boy

whose business acumen Drew had quickly sized up when he negotiated the sale of Drew's steamboats on the sound four years before. Late in 1864 Fisk had returned to New York to have a crack at Wall Street. Opening a sumptuously furnished office, he had lavished good liquor and bad jokes on all comers, speculated haphazardly on margin, and within a few months had been cleaned out by the old hands. Packing a carpetbag for a quick return to Boston, where he hoped to raise more funds, he had reputedly told a friend, "I'll be back in Wall Street inside of twenty days. And if I don't make things squirm, I'll eat nothing but bone button soup till Judgment Day. Damn 'em—they'll learn to know Jim Fisk yet!"²

True to his word, he had scraped more money together in Boston and returned in less than a month. This time he renewed contact with Drew, who in 1865 arranged for him to work as a broker at Groesbeck's, and by 1866 had set him up with William Belden, another young broker at Groesbeck's, as the brokerage firm of Fisk & Belden, through which Drew then did much of his business. A greenhorn no longer, by now Fisk was flourishing, as evidenced by a shirtfront diamond, rings that flashed on his fingers, and his new home address at the fashionable Fifth Avenue Hotel. (His wife—a childhood sweetheart—was left to languish sumptuously in a new mansion in Boston, while her husband toiled and cavorted in Gotham.) Fisk's inclusion on the new Erie board probably resulted from substantial holdings of its stock, plus the right connections, including not only Uncle Daniel but the Boston men, with at least one of whom he had been associated both before and during the war. But no one—not the Boston men, not Drew, not Vanderbilt—suspected of what Jim Fisk was capable.

Sitting with Drew on the new five-man Erie executive committee was another newcomer: Jay Gould. The son of a farmer in Delaware County, New York, Gould at the age of fourteen had written a schoolboy essay entitled "Honesty Is the Best Policy," the irony of which no biographer of his has failed to comment on. By the age of twenty-three he had worked as a store clerk and professional surveyor, written and published a 450-page history of his home county, promoted a mousetrap, built a plank road in nearby Pennsylvania, and started a tannery there and helped found a bank. His early business associates, however, had found young Gould a slippery fellow to deal with. During the Panic of 1857 his partner Charles M. Leupp, a reputable New York City leather merchant, learned that Gould had misused Leupp's name and money in an attempt to corner the leather market and lost heavily. Apparently as a consequence of this, Leupp committed suicide.

Still solvent and ambitious, by 1860 Jay Gould had come to New York City, where he married the daughter of a wealthy grocer and during the war, with the help of his father-in-law's capital, bought control of two small ailing railroads, which he rejuvenated financially and sold to larger

systems at a profit. Meanwhile he entered Wall Street, where he became a member of Smith, Martin & Company, which traded heavily in Erie and came to control much of its stock. At the approach of the 1867 election, having been recruited by Fisk, who found his name on a list of Erie shareholders, Gould helped Eldridge in canvassing for votes against Drew. This was Gould's first acquaintance with Fisk, with whom he soon became closely associated, although he and Fisk were opposites in manner and appearance. Hollow-chested, thin, and sallow-faced, Jay Gould—at thirty-one, a year Fisk's junior—was a small man with puny limbs, black clipped whiskers, and what one contemporary described as a "fatal" black eye—but for all that, a model husband and indulgent father, domestic, introverted, reticent, as soft-spoken and retiring as Fisk was blatant, gregarious, and assertive. Yet this modest, abstemious little man, fond of books and quiet, was an instinctive fighter and schemer, immensely ambitious, subtle of mind, and ruthless in method. No one who ever dealt with him forgot him.

Such was the new Erie board, a conglomeration of adventurers at cross-purposes who were about to enact a rich imbroglio of conflict, conspiracy, litigation, deceit, fraud, and farce, with Uncle Daniel smack in the center of it.

Meanwhile Brother Daniel Drew was tasting a rare fruition of beneficence in the establishment and formal opening of the Drew Theological Seminary. On March 13, 1867, the incorporators and trustees had met at his Union Square mansion—doubtless in the same spacious parlors that had since witnessed the secret dickerings on the eve of the Erie election—at which time he had been unanimously elected president of the board of trustees, while his grandson Daniel Drew Chamberlain became the treasurer and his son William a trustee. President Drew then called to order the first meeting of the board, which elected John McClintock president of the seminary and approved a constitution and by-laws.

At all subsequent board meetings Daniel Drew, if he was present (and he usually was), officiated. It presents a piquant image, the thought of this colorful semiliterate presiding in his Sunday best over a meeting of distinguished Methodist clergy and educators, including Bishop Edmund S. Janes, the vice-president. Of course, he was on his best behavior: tactful, reserved, never assertive. Years later George R. Crooks remembered him as "one of the pleasantest figures in the New York Methodism of that period; reticent, no doubt, but loyal to his Church. . . . In all he did for this Seminary I never saw the slightest trace of vainglory. . . . Modest, kindly, and sensible, he . . . never for one moment assumed the manner of a dictator."³ A model benefactor, it would seem, and prudent to a fault: during all his association with the

school, no formal speech of any kind passed from his lips and no written communication from his hand, except checks and legal documents bearing the scrawl of his name.

Drew's tact was soon evidenced, for the Carmel site proposed by him was not favored by all the trustees and least of all by McClintock, who feared that life in that remote locality would prove the loneliest of cultural martyrdoms. Fortunately, when it was suggested to the founder that they seek an alternative site in New Jersey, he did not object. By June the trustees were considering "The Forest," a 230-acre estate at Madison, New Jersey, twenty-five miles due west of New York City and linked to it via Hoboken by the Morris and Essex Railroad. This property included an extensive oak woodland and a handsome Greek Revival mansion built in the 1830s by William Gibbons, whose father Thomas was the New Jersey steamboat operator, once the employer of Cornelius Vanderbilt, who had successfully fought the Fulton-Livingston monopoly all the way to the Supreme Court. The mansion seemed suitable for the seminary without alterations, and the present owner was willing to sell. In Drew's own time it was told how he called unexpectedly at the sumptuously furnished mansion and offered the astonished occupants a handsome sum for the estate, on condition that they pack up at once and depart, leaving behind everything but personal effects. The transaction was of course more mundane. For \$140,000, on June 29 the property was conveyed to Drew, who made it immediately available to the seminary, to which he promised to deed the buildings plus one hundred acres of land.

On November 6, 1867, President McClintock staged a full-day formal opening of the seminary that assembled three hundred guests, including all nine bishops of the Methodist Episcopal church, four college presidents, eminent ministers and laymen from throughout the country, students and journalists, and an abundance of pious ladies. Dr. Joseph Cummings, the president of Wesleyan (to which, but three months before, Drew had donated a hundred thousand dollars), hailed Drew's noble illustration of "the Christian use of money," while Bishop James charged the founder, trustees, and faculty to make the seminary "the West Point of Methodism," training young men to urge God's sacramental host "onward and onward until all the cohorts of error are driven from the world."⁴ After such an exhortation, what could President William H. Allen of Girard College do but repeat that the church needed the money of its wealthy men, and that he personally did not fear Mr. Drew as such, and so in closing added a negative to the famous line by Virgil: "*Non timeo Danaos dona ferentes*" (I do not fear the Greeks bearing gifts), which hopefully someone thought to translate for the founder.

Between the morning and the afternoon sessions, a collation was pro-

vided by Drew in Forest Hill Mansion, following which the guests had the opportunity to examine the mansion and grounds. The residence itself was an imposing Southern-style classical edifice fronted by a broad veranda with tall Corinthian columns, which now housed the school's lecture room, dining room, social room, and reading room, while the dormitory and refectory stood apart. Thanks to the beneficent donor, a fireproof library and four brick homes for professors were also to be built, costing an additional \$25,000 and \$84,000 respectively. Such generosity evoked unbounded praise for the founder. Yet the *Methodist* reported: "Of all the company present at Madison, on this opening day, the most modest and unassuming person was Mr. Drew himself. A lady who expressed a desire to see the founder of the seminary was told in our hearing that the most unobtrusive elderly gentleman she saw would be Mr. Drew. The description was perfectly exact."⁵ And so, to the glory of its self-effacing founder, the Methodist West Point had been launched.

Daniel Drew's humble generousities were of little concern to Cornelius Vanderbilt, who in the fall and early winter of 1867, being preoccupied with acquiring control of the New York Central, counted on Drew and Frank Work to look after his interests in the Erie. Yet it must have disturbed the Commodore to learn that at an Erie board meeting on December 4, a committee including Eldridge, Drew, and Fisk had been named to initiate arrangements for a broad-gauge connection to Chicago, arrangements that would surely be detrimental to the Central. Equally ominous was a board resolution of the same date, authorizing stock issues in exchange for the securities of other railroads leased by the Erie. Perhaps Vanderbilt also got wind of Drew's loan to the Boston, Hartford and Erie Railroad of \$1.5 million, taking B, H & E bonds as security—a loan that the Erie executive committee guaranteed on December 18. Seemingly, Drew and Eldridge had discovered a wealth of common interests.

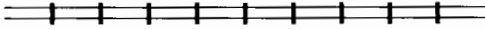
Meanwhile, as agreed to before the election, Drew had taken charge of a pool that was meant to bull Erie by acquiring about nine million dollars of its stock. The chief participants were Drew, Vanderbilt, and four of Vanderbilt's lieutenants, including the Wall Street brokers Frank Work and Richard Schell. Throughout December, Erie fluctuated narrowly in the low seventies, but for all the pool's purchases never seemed able to advance. "I never seen sich a queer performance in my life," Uncle Daniel reportedly told the other pool members. "But keep on buyin', boys, for it's sartain to rise. Don't be skeered."⁶ Reassured, the others redoubled their efforts. One of them, probably Richard Schell, decided to speculate on his own account as well and repeatedly borrowed large sums from Drew, who was happy to furnish them from the pool's money at interest. In January 1868 the market surged, with the

Vanderbilt stocks in the lead, yet Erie still languished in the seventies, dropping suddenly whenever it gained a few points. One evening following such a decline, Uncle Daniel was seen standing near the grand stairway of the Fifth Avenue Hotel, his face puckered with solicitude as he surveyed a throng of frustrated bulls. A prominent broker greeted him and asked, "Well, Mr. Drew, is Erie going down?" "Other folks think it is, though I can't give you any p'intns in it," said Drew, his gaze still fixed on the bulls.⁷

By now, however, the bulls were suspicious. The operator who had borrowed pool money from Drew instructed his brokers to investigate the source of the Erie shares that never failed to meet his demand. And where had those shares come from? Why, from the brokers of Daniel Drew! Outraged, the operator convened the pool at once and got the other members to appeal to Drew to run up Erie on his behalf. Drew, however, coolly announced that the pool neither had Erie nor wanted it; indeed, that he had sold out all its Erie at a profit and would now distribute the gains to the members. Thus the victim whom Drew had saddled with much of the pool's stock now received from him as profit a portion of the much larger sum that he had lost. Drew, of course, had been selling Erie all along.

Thereafter, each day brought further evidence of Drew's duplicity. Vanderbilt, elected president of the Central on December 11, expected to reach rate agreements with the Erie, but when he offered Erie one-third of the total profits, Erie's negotiators demanded one-half. The result was an impasse, with the looming prospect of yet another rate war, which as always was anathema to Vanderbilt. Then in February came worse news still. Drew's Erie committee was successfully completing negotiations with the Michigan Southern and Northern Indiana Railroad, so as to form a broad-gauge road running all the way from New York to Chicago. This road, it was said, would offer more comfortable passenger accommodations and a freight capacity fully fifty percent greater than that of the narrow-gauge Central, from which it was bound to steal business.

For Vanderbilt, this was the last straw. Having relented and let Drew back on the board, Uncle Daniel had repaid him by repeatedly working against Vanderbilt's interests in both the market and Erie's inner councils. And now Drew was stealing a march on the Central to give Erie—that mismanaged, debt-ridden joke of a railroad, which Vanderbilt had meant to bottle up in New York—the greatest prize of all, a through connection to Chicago and the West. The Commodore felt tricked, mocked, lied to, and defied. He was furious with the Erie and above all with Daniel Drew. It meant war, and it was going to be a war of giants.



The Battle of Wall Street

One day when Cornelius Vanderbilt was driving his team at a leisurely pace along a road beside the Harlem Railroad tracks in upper Manhattan, with a friend sitting beside him, he saw an express train fast approaching. "Giddap!" he shouted to his sleek pair of trotters, launching them in a wild dash for a crossing that lay just ahead. Team and carriage whisked over the crossing with only seconds to spare, whereupon Vanderbilt waved cheerily to the astounded fireman, then turned to his friend and said: "There is not another man in New York who could do that!" "And you will never do it again with me in your wagon!" announced the ashen-faced friend.¹

Such were the energy and daring of Cornelius Vanderbilt, who was in all ways an extraordinary man. Tall, thin, imposingly erect, his physiognomy strong-nosed and square-jawed, with a high forehead and gray hair turning strikingly white, he had the appearance and manner of a conqueror. Dressing simply but stylishly in black, although with the high collar and ample white neckcloth of another day, at seventy-four this aggressive worldling was still attractive to women. As unchurched and illiterate as ever, drinking, smoking, swearing, talking horse, he gave his mornings to business, his afternoons to fast trotters, and his evenings to whist-playing cronies. If he appeared at night in the parlors of the Fifth Avenue Hotel, where money kings and speculators congregated, the crowd parted spontaneously before him. On Harlem Lane, where every afternoon the city's horse fanciers raced their teams pell-mell while uttering unearthly whoops and screams, brokers and speculators refrained from passing him, both out of deference and in hopes of getting "points"

in the market. Not that passing Cornele would be easy; he could do a mile in just over two minutes.

In business as in racing, the Commodore was a hard driver—aggressive and, if necessary, ruthless. Since negotiation and compromise had failed, he determined to get control of Erie by buying up its shares in the market. This was no simple matter, since at last report there were 251,058 shares of common and preferred, plus the stock pledged to Drew in 1866 and who knew what else besides. Only a man of inordinate ambition would have attempted it. “As trade now dominates the world,” Charles Francis Adams observed, “and railways dominate trade, his object has been to make himself the virtual master of all by making himself absolute lord of the railways.”²

Ironically, the chief obstacle to this ambition was a stooped and whiny-voiced old man, his face seamed with wrinkles, his fringe of gray chin whiskers as sparse and straggly as Vanderbilt’s sideburns were ample; a loner attended by no army of friends or flunkies, enhanced by no hint of the stately or heroic; negligent in dress, unobtrusive, circumspect; a pious churchgoer who shunned cards, whisky, sport, and profanity, and who while Vanderbilt was churning up the dust of Harlem Lane, was usually napping in the office of his broker. In all respects, then, Drew was a smaller man than the Commodore. But he was cunning, and it was this that Vanderbilt feared. The Commodore’s first move, therefore, having formed a new pool to corner Erie in the market, would be to disarm Drew.

On February 17, 1868, Erie Director Frank Work applied to Judge George G. Barnard of the Supreme Court of New York, sitting in Manhattan, for an injunction against the board of directors of the Erie Railway Company and Daniel Drew. In his complaint Work charged that Drew had obtained the 58,000 shares in 1866 through a fraudulent transaction and that he should be made to account to the company for any resulting profits and be compelled to return the collateral. Vanderbilt’s name appeared nowhere in the document (which was substantially the same complaint that he had threatened Drew with prior to the election), since the Commodore deemed it legally expedient to act through intermediaries. Work, however, was known to be his representative in Erie, nor was it any coincidence that he had selected Barnard to petition, since the judge, a dandified Tammany politician who frequented Delmonico’s and the Astor House, was notoriously partial to wealthy litigants and above all to Cornelius Vanderbilt. The Vanderbilt party planned to neutralize the 58,000 shares by making Drew liable for their imminent return and to keep Drew from converting any more bonds into stock.

Predictably, Barnard issued a temporary injunction forbidding Drew and Erie to make any settlement of the 1866 loan, pending a judicial

investigation, and he ordered Drew to appear in court. News of the injunction provoked much excitement on Wall Street, where Drew was said to be "in a fix" and about to be "sent to smithereens." The bulls began buying Erie with confidence.

Yet no sooner had they done so than they heard rumors that Erie was converting the bonds of the Buffalo, Bradford, and Pittsburgh Railroad into stock of the Erie Railway. Immediately, without even awaiting the outcome of the first injunction, Work on February 19 petitioned Judge Barnard again, charging that Erie's lease of the Buffalo, Bradford, and Pittsburgh was improper, and that Daniel Drew, by virtue of his speculations in Erie stock, was "guilty of gross misconduct and abuses of his trust," wherefore he asked that Drew be removed as director and treasurer. Compliantly, Barnard issued a second injunction, temporarily suspending Drew in both capacities and summoning him to court in this matter, too. Surely now, the bulls reasoned, it was safe to buy.

Targeted by two injunctions in three days, suspended from the Erie management, and threatened with prosecution, Uncle Daniel seemed remarkably chipper and blithe. He predicted that Erie, then selling in the mid-seventies, would go to 65 or 60, and cheerfully offered calls on it while the Vanderbilt pool kept buying. With the exception of Work, all the Erie directors had rallied to him and all seemed remarkably undaunted. To the bulls' puzzlement, Erie fluctuated in the seventies but refused to rise; rumors circulated that the Erie crowd were cooking something up. They were.

While New York State's General Railroad Act of 1850 prohibited railroad companies from increasing their capitalization by a direct issue of stock, it also permitted them to issue bonds so as to raise money for "completing, finishing, and operating the road," and furthermore to make such bonds convertible into the company's stock at par. This last provision was meant as an inducement to investors, who would be more inclined to buy a company's bonds if they could anticipate its stock rising above par, which would let them convert their bonds into stock for a profit. Whether or not this law applied to the Erie, whose capitalization was regulated by the New York State act of 1861 governing its reorganization, was an open question, and certainly the spirit if not the letter of the 1850 law required that the convertible bonds be issued to finance legitimate construction and not for the purpose of being immediately converted into stock. Such niceties, however, did not detain the guiding lights of Erie, who in the convertible-bond provision found an ingenious semilegal device for circumventing the prohibition of direct new issues of stock.

On February 18, the day following Barnard's first injunction and preceding the second one, President Eldridge called a special meeting of

the board to consider the question of raising funds for new iron and construction and for liquidating demands on the treasury. These seemed to be valid albeit vaguely phrased matters that even Frank Work, who was present, could not object to, so they were duly referred to the executive committee. On the following day, even as Barnard was issuing his second injunction, the executive committee, comprising Eldridge, Drew, Gould, J.C. Bancroft Davis, and Henry Thompson, recommended to the board that it be authorized to borrow such sums as seemed necessary. The board, with Drew still sitting on it, granted this authority at once, and at Drew's suggestion—obviously, he knew of Barnard's impending proceedings—named an assistant treasurer to act in his place and under his directions. Immediately thereafter the executive committee convened and authorized ten million dollars' worth of new 7 percent convertible bonds, of which the treasurer was quickly instructed to sell up to half at not less than $72\frac{1}{2}$, slightly less than Erie's price on the market. Pending this sale, the committee briefly adjourned.

Ten million dollars of new convertible bonds, or the equivalent of 100,000 new shares of stock, were to be fed, half now, half later, to the voracious Vanderbilt, so as to relieve him and his friends of some seven or eight million dollars! This was rascality raised to the level of grandeur, all the more so in that the proposed victim was the wealthiest, most powerful, and most arrogant man on the Street. Was it in Uncle Daniel's fertile mind that the scheme had been hatched? Certainly his 58,000 shares of 1866 constituted a worthy precedent, and he had grounds for revenge against Vanderbilt. Yet the vastness of the coup, the sheer epic daring of it, smacks of Jay Gould. But whosever inspiration it was, the whole executive committee embraced the scheme and made it their own. Not that the profits would go exclusively to Drew, since Fisk and Gould drafted an agreement that they made Drew sign, whereby he was to keep only half the proceeds, while half would be divided among Fisk, Gould, Thompson, and others. Yet Fisk was probably the only board member outside the executive committee who was in on the scheme.

Shortly after its adjournment on the afternoon of February 19, the executive committee reconvened. In the interim, Erie's treasurer sold \$5 million of the new bonds at $72\frac{1}{2}$ and at the same time, either just before or just after the sale, was struck by Barnard's second injunction, suspending him from office. In his absence, therefore, the committee ratified the sale of the bonds. In a strictly *pro forma* transaction, Drew sold the bonds to his broker Groesbeck, who within five minutes returned them to the company and received in exchange 50,000 shares of common stock. This new stock then went into Groesbeck's safe and sat there for ten days, while on the market Erie seesawed in the low seventies as the bulls bought every share of the old stock offered, amid a wel-

ter of rumors. In response to the two injunctions, on February 21 Drew appeared before Judge Barnard, flanked by three attorneys. After a preliminary skirmish of the lawyers, both suits were postponed to March 3. By Saturday, February 29, Erie stock had dropped below 70, depressed by rumors of a default on its bonds. At this point, the conspirators decided to spring their coup.

Stealthily, out of Groesbeck's safe came the 50,000 new shares of stock, to be distributed to three friendly brokerage houses that promptly fed them in turn to the Street. So deftly was it done that the Vanderbilt brokers seem not to have been aware at first that the great flood of stock engulfing them was emanating from a single source. They had standing orders to buy, so they bought, boldly, frantically, and waited for the stock to go up. All day on the twenty-ninth Erie seethed in the upper sixties, then on Monday morning, March 2, under the weight of stock offered, it sank to 65. "It'll git to 60 afore long," Drew reportedly predicted, "and I'm not afeard to venture that it'll go as low as 55 afore the day's over."³ But the Vanderbilt brokers were resolute. In frenzied trading the price rallied to 67, and on the following day to 70, 72, 73, till by the day's end, at a cost of some three and a half million dollars, they had soaked up all 50,000 shares. Only the Commodore could have done it.

The delivery to their brokers' offices of quantities of fresh Erie certificates left the Vanderbilt camp alarmed and incredulous: even after two injunctions, the Old Bear was still not disarmed! Quickly lieutenants conferred, and lawyers were consulted. As a result, when the two suits came up before Barnard on March 3, Work thrust yet a third petition at the magistrate, who then granted a third injunction—a sweeping order restraining Erie's officers from issuing any stock whatsoever, from guaranteeing the bonds of other railroads, or from building a broad-gauge connection in the West, while at the same time enjoining Drew from all transactions in Erie until he returned the 58,000 shares pledged to him in 1866 and the 10,000 shares allegedly received by him in exchange for the Buffalo, Bradford, and Pittsburgh bonds. Now at last, the Vanderbilt party concluded, Drew and his confederates were bound by the full force and majesty of law. How could Drew possibly fulfill his numerous short contracts maturing on or about March 9? Commodore Vanderbilt must now achieve his fourth great corner, in Erie.

But Daniel Drew was no stranger to injunctions, and he and his counsel were well aware that New York State had not one Supreme Court justice but thirty-three, who in certain proceedings enjoyed identical powers applicable throughout the entire state. So if Vanderbilt had an obliging judge in Barnard, the Erie men could shop around for one of their own. Accordingly, on March 5 Fisk, Gould, and an Erie attorney hastened by rail to Binghamton, a good Erie town in Broome County, to

petition Judge Ransom Balcom, who with a haste worthy of his colleague in New York issued the desired injunction. Frank Work, alleged to be a New York Central agent acting against the interests of the Erie, was suspended from the Erie board, and all parties involved were summoned to appear on March 7, prior to which the proceedings before Barnard were stayed. "This," remarked the *Herald*, "is diamond cutting diamond with a vengeance."⁴ Noting the impasse, some observers registered incipient doubts about the arrangements of the state's judicial system.

Certainly that system's legal restraints were borne lightly by Drew and his colleagues, who thought them of no more consequence than the investigating committee that the state senate, taking note of the "Erie row," appointed on March 5. On March 3, however, Erie's executive committee had already authorized the sale of another \$5 million of convertible bonds. Drew at once purchased these bonds at 72½, only to be smitten with Barnard's third injunction, barring him from any transactions in the company's stock. Since that same injunction was binding on his agents as well and prohibited the Erie board from issuing more stock, lesser spirits might have given up the project altogether. For the Erie inner circle, however, this meant only that the conversion of the second batch of bonds was rendered slightly more difficult.

Since the next hearings before Barnard were scheduled for Tuesday March 10 and many of Drew's short contracts matured on the ninth, the conspirators timed their coup for Monday, the ninth. First, lest Barnard name a receiver to take possession of the Erie treasury, President Eldridge was authorized on March 5 to draw a half million dollars for "legal and other needful expenses," which he sent for safekeeping to Boston. Then, over the weekend of March 7-8, the offices and homes of the Erie men and their agents fairly hummed with activity. While one team of lawyers and clerks prepared affidavits and petitions for injunctions, another team counseled the directors. At the request of the enjoined president, who said he needed them for transfers of existing stock, but was too unwell to sign them himself, Gen. Alexander S. Diven, the reputable but enjoined vice-president, spent Saturday night and Sunday at home, diligently signing hundreds of brand-new certificates. As he later assured the Senate investigating committee, he undertook this action in absolute good faith. (Throughout all his long career in Erie, this honored veteran of Antietam and Chancellorsville, with an iron gray moustache and whiskers and a martial look about him, would display invincible innocence.)

Meanwhile, on that same evening of Saturday March 7, stealthier hands were at work. Since Drew's broker, David Groesbeck, was likewise restrained by Barnard's injunction, some third party had to be found to buy the bonds and convert them. Accordingly, Groesbeck fetched from the Fifth Avenue Hotel one Martin E. Greene, a speculator who

frequented his office, and took him to Drew's residence at 41 Union Square, where Drew explained that he wanted to sell Greene \$5 million of convertible Erie bonds, holding him harmless for any loss. Since Greene seemed amenable, they and Jay Gould, who was waiting in the hall, then went together to the home of one of the Erie attorneys, so that the attorney and his staff could draw up the necessary papers. But when asked to sign a lengthy affidavit, Greene protested that it contained statements regarding Erie that he knew nothing of and despite Drew's urging backed out.

Undaunted by this flurry of integrity, Groesbeck then brought from a boarding house in Fourth Avenue another banker and broker of his acquaintance, Ossian D. Ashley, to whom Drew made the same proposition. Ashley too agreed, then likewise voiced a scruple. The affidavit stated that he had asked Erie to convert the bonds and been refused, which was false. This matter was resolved by having Ashley then and there request conversion of the bonds from Drew, who as treasurer (suspended, but no matter) refused because he must of course respect Barnard's injunction, whereupon Ashley signed the affidavit. It was now 11:00 P.M.; the purchaser departed.

As prearranged, on the morning of Monday March 9 Ashley appeared in Groesbeck's office and signed a note for the bonds. Groesbeck retained the bonds as security for the note, plus Ashley's authorization to Drew to dispose of the bonds whenever Drew thought it in Ashley's interest, a contingency that was realized at once. Although this straw man had signed away control of his property, he later testified that he considered this a *bona fide* sale, and while protected from loss, expected to receive any profits that might result. If true, this says little for his instincts as an operator or for his knowledge of Daniel Drew.

On that same Monday morning General Diven, the reputable enjoined vice-president, delivered the remaining books of new stock certificates to Horatio N. Otis, the enjoined secretary, in the company office at 187 West Street. Then at 10:00 A.M. a special meeting of the board minus Work and Drew was held, at which Diven read an executive committee report, carefully prepared for publication, that set forth the company's need for massive new construction and equipment, including the replacement of iron rails by steel (a project that the Erie management had discussed and tabled for years), to provide for which it announced the creation of \$10 million of convertible bonds. This was the first official disclosure of the bonds, to further justify which the committee appended two confidential reports by Superintendent Hugh Riddle, dated March 3, stressing the ravages of a harsh winter on the road's iron rails, the condition of which caused Riddle anxiety for the safety of trains. The board did not question why, given the vast sums raised for improvements

in previous years, the company's property should now be in such desperate straits. Instead, it approved the committee's report, which the Erie management then sent out for publication in the press.

Meanwhile, strange things were happening. On the president's instructions, prior to the board meeting Secretary Otis had added his signature to two books of the new stock certificates that Diven had signed and delivered, books containing 50,000 shares that, curiously enough, had already been made out to the brokerage firms of Fisk and Gould. Shortly after 11:00 A.M. Otis gave these books to the transfer clerk, for delivery to the company's transfer office at 11 Pine Street. Minutes later the clerk returned, dumbfounded, to announce that Director Fisk had suddenly appeared in the president's office, snatched the books away from him, and run off with them. Astonished, Otis searched immediately for Fisk, failed to find him, and when he reported the incident later to the president, was told, "That is all right." Thus, seemingly through no fault of the enjoined vice-president, secretary, transfer clerk, or anyone else—except, of course, the mysterious Fisk—certificates for 50,000 new shares of stock, all properly printed and signed, had been wrested from the company's control. Soon thereafter, quantities of fresh Erie certificates began turning up in Wall Street. Mr. Ashley's bonds, it seemed, had been sold and converted in the twinkling of an eye.

On that same busy Monday, the Vanderbilt camp petitioned the reliable Barnard once again, this time in the name of the Commodore's ally Richard Schell, obtaining an injunction (the fifth in the affair so far) that restrained the Erie board from meeting or transacting any business whatsoever, unless Frank Work was present and participating. Yet this maneuver, checkmating Judge Balcom's order issued March 5, was countered almost instantly in turn by the Erie conspirators' final finesse.

Bright and early Monday morning an Erie attorney visited the Brooklyn residence of Justice J.W. Gilbert, a respected but ailing magistrate who was in the habit of holding chambers in his home. Petitioned on behalf of bondholder Ashley to issue a writ ordering Erie to convert Ashley's bonds into stock, Gilbert refused, saying that the proper remedy was a mandatory injunction. That afternoon the attorney reappeared, accompanied by a second Erie attorney armed with a new summons, complaint, affidavits, and the draft of an injunction, with which they laid siege again to the magistrate. The new petition was in the name of Fisk's partner William Belden, who as an Erie stock and bondholder now launched a new action against Vanderbilt and his lieutenants. He charged them with having formed a combination to speculate in Erie, and with using the courts for this purpose, notably that of Justice George G. Barnard, who was himself now named as a defendant, accused of frequenting a Broad Street brokerage house involved in this nefarious operation.

Had Judge Gilbert reflected, he might have deduced quite correctly that the Erie forces had been spying on his fellow magistrate. Instead, after considerable persuasion he granted the injunction, although he insisted on modifying its text. What resulted was a marvelous instrument that restrained all parties to other suits from any acts in "furtherance of said conspiracy"; that ordered the Erie directors, with the exception of Work, to continue to discharge their duties; and that most specifically forbade the Erie directors to refuse to convert bonds into stock. Thus Barnard, who had countered Balcom, who had countered Barnard, was countered now by Gilbert, in whose defense one can only note that the poor man was ailing. Since whatever course it pursued, the Erie management must violate someone's injunction, it would of course select, in fact already had selected, the alternative that suited it.

And so, on that busy Monday morning, even as Ashley bought his bonds and Drew took charge of them, as the Erie board approved the bonds' creation, as the stock certificates vanished, and as Barnard and Gilbert were petitioned for injunctions, the conspirators unleashed the rest of their stock. On Saturday March 7 Erie had risen to 78½ in active trading. By now the "Erie Railway row," competing with President Andrew Johnson's impeachment in Washington, had begun to claim the attention of the papers, which billed the Vanderbilt-Drew struggle as a "battle of titans." Therefore on Monday March 9 all eyes were riveted on Erie.

At the urging of Frank Work and Richard Schell, who were with him in the pool, Vanderbilt had again given his brokers standing orders to sustain Erie in the market. Consequently, when the Stock Exchange's morning call began at 10:30, Erie had already been traded feverishly on the Open Board downstairs for half an hour at prices of from 79½ to 81. Now, in the vast upstairs hall, a dense throng of some two hundred top-hatted brokers waited as the vice-president in rapid order called out government bonds, state bonds, Pacific Mail, Canton, and New York Central, eliciting only a tepid response, then at last announced, "Erie!" What then ensued has been recounted by W.W. Fowler, a speculator of the day:

For ten minutes bedlam seemed to have broken loose. Every operator and broker was on his feet in an instant, screaming and gesticulating. The different Vanderbilt brokers stood each in the center of a circle, wheeling as on a pivot from right to left, brandishing their arms and snatching at all the stock offered them. As the presiding officer's hammer fell and his hoarse voice thundered out, "That will do, gentlemen, I shall fine any other offer," Erie stood at 80. The crowd leaving the other stocks not yet called, poured out into the

street, where nothing was heard but Erie. Vanderbilt's brokers had orders to buy every share offered, and under their enormous purchases the price rose, by twelve o'clock, to 83.⁵

So the battle raged, with the two contending titans nowhere in sight nor even on the fringes of the fray, since like most big traders they directed their operations from headquarters somewhat removed. Vanderbilt used a little office at 2 West Fourth Street where early each morning, hidden from the press and public, he issued orders to an army of underlings, including his son, sons-in-law, vice-presidents, and attorneys, who in turn commanded clerks, brokers, secretaries, and runners. Drew was usually found in a back room at Groesbeck's in Broad Street, where the new ticker tape—Wall Street's first, installed in late December—let him follow the market with ease. On this particular morning, however, he went with Gould by carriage to the Erie office in West Street, so as to be close by when the board met at 10:00 A.M. He had contracted to sell Ashley's bonds to Fisk at 80, expecting Fisk to convert the bonds at once and dump the stock on the market, which would depress Erie and let him cover his shorts just in time. Now, however, he waited in vain to hear that Fisk had done so, and as he waited, he saw the price of Erie driven ever upward. With a fortune at stake, he became alarmed, then desperate; why was Fisk holding off? By late morning he could take it no longer: he sent a messenger to Groesbeck, telling him to cover his contracts at a loss. Yet no sooner had he done so, when word came that Fisk was throwing his stock on the market. Quickly Drew sent another messenger to countermand his order, but too late; Groesbeck had covered most of his shorts, buying the first of Fisk's stock at high prices. Drew had covered short contracts at 80 that he had made at 70, and so on that day took a heavy loss, although he had profits in Erie overall. Such was Fisk's little joke on his mentor, which amused Gould no end.

Meanwhile the 50,000 new shares of Erie hit the Street like an avalanche. As the Vanderbilt agents grasped at all the stock offered, unbelievable amounts changed hands. Then, shortly after noon, with Erie at 83, a rumor swept the Street that delivery was being made of hundreds of virgin pure Erie certificates dated only two days back. The discovery that new Erie stock—no one knew how much—was on the market struck panic in the hearts of the bulls. Instantly Vanderbilt's allies, Richard Schell and Frank Work among them, deserted him and dumped their Erie, whose price plummeted to 71½, while confusion and dismay gripped the Street.

What rich reserves of profanity escaped Cornelius Vanderbilt when he first learned that his millions were being spent on pristine bits of paper, history has not recorded. Immediately thereafter, however, one

of his brokers asked if he should sell. "Sell?" Vanderbilt is said to have thundered, "You fool, *no!* Buy every share offered!"⁶

So ordering, he gave proof of the soundest judgment. His own prestige and fortune, as well as those of his friends, had been committed to Erie to the hilt; if he faltered now even for an instant, the incipient panic would demolish Erie and their combined resources with it, then spread to his other stocks and finally engulf the whole Street. Wrath and vengeance could wait; right now he had to sustain Erie in the market, even though it meant absorbing this entire new issue, as well as all the other Erie that his fainthearted friends—"skunks," he called them—had jettisoned in panic. His cash was gone; to do it, he would have to get loans. But his will did not crack, his brokers kept on buying, and Erie slowly recovered to close in the Long Room at 77¾. So ended one of the most hectic days in stock market history, a day of jackals when Drew and his allies cheated Vanderbilt, when Work and Schell deserted Vanderbilt, and Fisk hoodwinked Drew. In the end the panic had been stemmed, although at a cost to the Commodore of millions.

Tuesday March 10 was a busy day for all concerned. Although hard-pressed financially, Vanderbilt continued to support Erie in the market (the "skunks" were still deserting him), maintaining the price until it closed at 75½. Meanwhile, promptly delivered, those fresh certificates were piling up in his brokers' offices. Fisk, having unloaded the 50,000 shares between 79 and 80, out of the proceeds repaid Drew his original outlay for the bonds at 72½, but refused to pay Drew his profits in cash, pending a settlement regarding the division of the spoils. Secretary Otis was likewise busy, being summoned that day to testify before a closed meeting of the Senate committee investigating Erie, whose initial sessions in New York City coincided with Erie's convulsions in the market, and with the appearance in the press this day of the executive committee's report of March 9, announcing the \$10 million of new convertible bonds and, by implication, the exact amount of new stock—100,000 shares—that had been foisted off on Vanderbilt.

The announcement of those \$10 million of bonds was of more than casual interest to Justice Barnard, whose injunction banning new issues of Erie stock had been so brazenly flouted. On this same day, the original cases initiated by Frank Work were scheduled to be heard before the judge, who being involved in another case elsewhere had to postpone them to Wednesday. At this point Barnard was served with Judge Gilbert's injunction, whereby he himself became a defendant. Nor was the end in sight. Later that same day, upon complaint of John Bloodgood, a Vanderbilt broker who had bought some of Fisk's new stock, Judge Albert Cardozo of the Supreme Court in Manhattan issued still another

injunction against Erie (the seventh in the war so far) reaffirming the earlier order by Barnard that enjoined the Erie board from acting without Frank Work. When the hearings resumed before Barnard on Wednesday the eleventh, both bench and bar were so hopelessly confused that Barnard declared a postponement until the fourteenth.

Meanwhile the Erie schemers, to tighten the screws further on the bulls, undertook still another ploy. By having their brokers call in their call loans and by withdrawing their deposits, which were especially large because of the recent sales of Erie, from the New York City banks, they took some \$7 million out of circulation, creating a sudden money stringency that on March 10 sent rates for call loans soaring a full point to 7 percent. At the same time, Fisk and Groesbeck maneuvered to force the Tenth National Bank to withhold from circulation over \$3 million that Fisk had deposited there and taken certified checks for, a stratagem that the bank president hotly protested, resenting being obliged to abet others in a lockup of greenbacks.

Intensified by these maneuverings, the pressure on the bulls was enormous. In absorbing Erie—Vanderbilt himself now had some 150,000 shares of it—they had exhausted their cash reserves. All had grievous losses and some were close to ruin. They dared not sell their Erie, lest they precipitate a panic, yet to support it in the market they needed credit just when credit was hardest to obtain. For several days feverish activity was noted in the Vanderbilt camp, the precise nature of which remained a closely guarded secret. There could be little doubt that the greatest reputation in Wall Street and the second largest fortune in America were in the throes of their worst crisis. That fortune amounted to tens of millions of dollars, but much of it was locked up in property at a time when the Commodore was desperate for cash. Many men would have broken under the strain, but with whispers of his ruin spreading, Vanderbilt gave orders to his agents in the morning, then each afternoon was seen driving his fast trotters on Harlem Lane, while in the evening he played whist with his cronies as usual.

To this rock of assurance the other bulls clung, and not in vain. After two or three days the Vanderbilt camp recovered its serenity: the Commodore was solvent, although no one quite knew how. At the time, rumors circulated of a multi-million-dollar mortgage of his railroads to a foreign banking house, but years later another story came out. At the height of the crisis Vanderbilt apparently sent Richard Schell to negotiate a loan from the leading New York bankers, who informed Schell that they would loan on Central but not on Erie. Schell, however, quickly confirmed that most of the banks held large amounts of Central as collateral. "Very well, gentlemen," he then announced, "if you don't lend the Com-

modore half a million on Erie at 50, and do it at once, he will put Central at 50 tomorrow and break half the houses on the Street. You know whether you will be among them."⁷

It was a desperate gambit, but it worked. Vanderbilt got his loan—surely far more than half a million—on Erie, which proved not wholly useless to him after all.

On the morning of Thursday March 12 Fisk and the executive committee were in the Erie offices in West Street. Certainly they knew the war was far from over. There were court proceedings to deal with (they had spies posted close by Judge Barnard's chambers), and a Senate investigating committee that would reconvene in Albany the next day, with several directors summoned to testify. As a precaution against attachments by the enemy, as well as to make money tight for the bulls, they had withdrawn all the company's money from the banks and contemplated sending it to safety in New Jersey. Yet they seem to have felt no imminent threat from Vanderbilt or Barnard, being doubtless carried away by sheer elation at having pulled off the biggest coup the Street had ever seen.

Suddenly an Erie spy dashed in to report that Barnard was at that very moment issuing processes of contempt against the lot of them, vowing to have them all in Ludlow Street Jail by night. Near panic gripped them. Not only would they themselves be seized—a prospect that Uncle Daniel, a distinguished churchman of seventy, found appalling—but the company's books and treasury, too, of which the last was absolutely essential for carrying on the war against Vanderbilt. Their one hope was to remove the company's records and assets, and themselves as well, to New Jersey as soon as humanly possible.

Shortly thereafter a police officer patrolling his beat in West Street was startled to see a group of well-dressed, respectable-looking men, accompanied by a platoon of clerks, issue from the Erie building in a wild stampede and rush headlong toward the docks nearby. With them they carried bundles of documents tied with red tape, account books, records, desks, drawers, and bales of money, while their pockets were stuffed with securities. Suspecting a gang of plunderers operating in broad daylight, the officer intervened, only to be assured that all was proper, that it was only the Erie executive committee effecting an impromptu change of locale. The flying squadron made off in hot haste, one of them—an elderly gentleman with a fringe of gray whiskers—in a hackney coach crammed with bales containing millions in greenbacks. Still suspicious, the officer followed the fugitives to the docks, where he saw them deposit themselves and their impedimenta aboard a ferry bound for New Jersey. Some time thereafter, this same mobile directorate, safe on the Jersey shore and breathing easier, entered Taylor's Hotel,

a plain brick building in Exchange Place, hard by Erie's Long Dock property and depot in Jersey City, where after a conference with the manager they engaged a suite of rooms on the second floor for a stay of indefinite duration.

Once he put the Hudson between himself and Barnard's wrath and Vanderbilt's revenge, nothing could tempt Uncle Daniel to set foot again in New York. Fisk and Gould, however, wanted to wind up their affairs and therefore returned to the city, where by then deputy sheriffs were hunting for the Erie directors, calling at their homes, hotels, and clubs, and posting themselves at the docks. Eldridge and Thompson remained with Drew in Jersey City, where they knew nothing of the fate of the other directors, not even Fisk and Gould, until they returned that night soaked and bedraggled, with a tale to tell. Having decided on a last dinner at Delmonico's, they had been interrupted in mid-feast by word of their imminent arrest, which sent them scurrying by carriage to the docks, where to avoid the police they persuaded an officer of Drew's *St. John* to provide them with a small boat and two deckhands to row them over to New Jersey. Then, half way across, they got lost in a fog where they drifted about for an hour, being repeatedly all but run down and swamped by passing ferries, until they managed at last to clamber aboard one of them and so returned to New Jersey.

Reunited in their Jersey City haven, the fugitives—some drenched, some dry—settled into their strange new quarters, while word of their flight spread on both sides of the river, provoking stupefaction. It was the first time within living memory that a railroad had absconded. As for Uncle Daniel, not even the thought of Vanderbilt's \$8 million lodged safely in a Jersey City bank could reassure him. He was shocked, breathless, dazed. Nothing like this had ever happened to him in his life!

The Battles of Fort Taylor

“A stupendous fraud,” cried the *Times* financial editor of the new Erie stock issue. The instigators, he insisted, must not escape “the public odium which is now being visited upon them, and the condign punishment in purse and reputation, by the Courts and Legislature, which assuredly awaits them.”¹

Yet it was not odium but curiosity that brought throngs of visitors swarming across the river to New Jersey, where the directors’ dramatic flight had made them instant celebrities. Flocking in and around Taylor’s Hotel in Jersey City were friends and acquaintances of the fugitives, journalists and would-be journalists, brokers, speculators, and Wall Street hangers-on, rubbing elbows with lawyers, messengers, perplexed Erie employees, and the idle curious. Besieged by visitors, the exiles quickly decided to restrict the admission of strangers to a select few, and those only if they came on business. The others were left to mill about outside, mingling with the local Jersey men, the whole crowd oblivious of the presidential impeachment proceedings in Washington as they exchanged opinions on this most immediate of the crises of the day. “Ah,” cried one gentleman overheard by a *Herald* reporter, “I often said that Drew was pluck to the backbone, and Vanderbilt has met his match. Take my word, my friends, Greek now meets Greek, and the man who now attempts to boss in Wall Street will find that two can play at that game.”²

Among those admitted were reporters, who were invited first to the hotel’s bar as Erie’s guests, then directed upstairs to the second-floor reception room, where they found Drew, Eldridge, Fisk, Gould, and Thompson in the company of friends, fellow directors, and attorneys. Holding forth as chief host, public relations man, and master of the re-

vels was Director James Fisk, Jr., rotund and jovial, who welcomed the press as "the great lever of public opinion," declaring that "those only who perform works of darkness shun the light."³ Waving the journalists toward an array of bottles, goblets, and prime Havanas, he expounded the righteousness of Erie and the injustice of justice in New York, interspersing jokes and bad puns as he affirmed the exiles' determination to hold out in New Jersey if it took a month of Sundays.

As the visitors could see for themselves, the directors' suite was being set up as a functioning office, while freight agents and superintendents were being informed by telegraph of the closing of the New York headquarters and summoned to the hotel for instructions. Meanwhile couriers came and went, and there were secret whisperings in corridors and conferences behind the closed paneled doors of what was now called the directors' room. But in spite of Fisk's pronouncements, unanimity of opinion was lacking. A *World* reporter noted that if some directors were embittered against Vanderbilt, others in speaking of him remained polite and reticent, while still others, obviously not the Jersey City exiles, even voiced the opinion that "it is all nonsense to fight against Vanderbilt, as he is the smartest old man in the country and has energy enough to eat up all the rest of the directors."⁴

Thanks to Vanderbilt's money—those millions now safely deposited in a Jersey City bank—the siege, if long, would be a merry one; there was much evidence of daily wining and dining, with the Erie treasury footing the bill. Reporters were allowed even into the directors' special dining room, where a *Herald* man found the fugitives boisterously at table, joking about sieges and summonses to arms and reaffirming their watchword of No Surrender. When another journalist was admitted, Fisk interrupted the festivities to assert that the former rate agreement forced on Erie by Vanderbilt had kept one million barrels of flour and three million bushels of wheat out of the New York market, causing prices to soar. The Erie fight, he solemnly affirmed, was "in the interest of the poorer classes especially"⁵—novel perceptions for a champagne-tipping financier who habitually sported a gold-headed cane and a gleaming shirtfront diamond.

But where was Uncle Daniel, that exemplar of "pluck to the backbone"? Holding himself aloof from the revels, he sat huddled in a corner where he tried to nap, roused fitfully by the speeches and mirth of the banqueters, to which he responded with a few forced smiles, but still appeared peevish and depressed. Two days of visitors had worn him out; snatched away from home, church, and Wall Street, he felt insecure. Besides, as a dignified Methodist of seventy, how could he participate in these prolonged champagne banquets where hilarity abounded and grace was never said?

The banquets, moreover, were subject to sudden interruptions. On

one occasion when the feast was in full swing, a messenger arrived and the exiles were summoned in a body from the table, where only Jay Gould lingered.

"Go bring Gould—hurry up, this is fearful!" exclaimed a voice in the corridor, within the hearing of the *World* reporter. "Tell him to leave his dinner. There is going to be a conference. Get him out!" "Why, what's the matter?" asked another individual, taking out a cigar. "Is it a flank movement of Schell's?" "Never mind, get him out. But stop! Gould is a family man. Sudden emotions are dangerous. Let him finish that quail. There is bloody work in there—he will need something to sustain him in the perils before us. I am awful afraid of Vanderbilt!"⁶ And so Gould was left to finish his quail, before attending the fearful conference.

The reporter did not identify the speaker of these dramatic lines, yet who but Fisk could have postured so flamboyantly, especially within the hearing of the press? As for Uncle Daniel, mindful of spies, detectives, and process servers, that night he had a guard posted at his bedroom door and plugged the keyhole with cotton.

On Saturday March 14 the Erie litigation came up again before Judge Barnard in a courtroom crammed with learned counsel and spectators, no civil case having elicited such intense excitement in years. Although attachments had been issued against eight directors, all had eluded arrest except Diven, Erie's infinitely innocent vice-president, whose promise to appear in court had spared him a night in jail. William B. Skidmore and Frederick A. Lane now appeared voluntarily in court, as subsequently would J. C. Bancroft Davis, another Erie innocent who denied all knowledge of market speculations in the stock. These three gentlemen and Diven were all freed upon giving nominal bail of a hundred dollars, but for Fisk, Gould, Eldridge, and Thompson, Barnard decreed bail of a half million each. Contrary to the rumors that had reached him, no warrant had as yet been issued against Drew for contempt of court, probably because, having been suspended as director and treasurer, he could not be held legally responsible for the subsequent actions of the board. Even so, he had no intention of returning to New York, where other actions could be brought against him at any time, or a receiver named to relieve him of the Erie treasury. Besides, with accounts yet to be settled with his colleagues, he wanted to stick close to the money.

While these matters of bail were being settled, Erie counsel David Dudley Field—one of the most eminent lawyers of the day and a noted advocate of reform and codification of the law—protested against Barnard's hearing the case, since Barnard, as a result of the action brought by Fisk's partner Belden, was a party to it. The stylish Barnard, who while presiding over his courtroom whittled away on the bench at a stick

of pine wood, replied that he was most definitely not involved in the case and that he would most certainly hear it, whereupon he proceeded to name George A. Osgood receiver of the proceeds from the sale of the 100,000 new shares of Erie. This was a futile gesture because with the money carried off to New Jersey, there was nothing for a receiver to receive, and it betokened the grossest partiality, since Osgood was Vanderbilt's son-in-law and broker and a personal friend of Barnard's to boot. "There is a day of reckoning coming," announced the indignant Field, "and there are parties who will have much to answer for."⁷

Meanwhile, consternation raged in Jersey City: there was a plot afoot to kidnap Daniel Drew! The first hint of this sinister enterprise came on the afternoon of March 16, when several parties of New York City "roughs"—hard-faced characters of the most undesirable nature—began arriving by the Pavonia ferry in New Jersey, until they numbered some forty or fifty in all. Proceeding in a straggly group to the nearby Erie depot, they asked for the freight contractor and when told by employees that he was not there inquired after Drew and the other directors. Summoned by one of his detectives, Inspector Hugh Masterson, chief of the Erie Railway police, now arrived on the scene and engaged the "b'hoys" in conversation. Having long been a New York City detective, he recognized among them such notorious individuals as Cusick, Jim Elliott, and other "man-chewing" toughs, from one of whom he learned that the raid had been organized in Cusick's ill-famed Eighth Ward gin mill, where \$50,000 had been offered to anyone who could produce Drew, Fisk, or Eldridge on that side of the river, and a reduced sum for the others. Masterson quickly pointed out that none of the directors was in the immediate vicinity, and that he had forces on hand that outnumbered the "b'hoys" two to one. Dissuaded, the invaders had a drink in the depot and then withdrew, some returning at once by ferry to New York, although others first sauntered in the direction of Taylor's Hotel, as if to reconnoiter it.

Immediately, the wildest rumors ran through Jersey City, while at Taylor's Hotel the directors took alarm, especially Drew, whose person seemed to be the most particular target of the "grab." Never in all his seventy years had Uncle Daniel shown the slightest taste for physical encounter; the thought of now being seized upon by these Eighth Ward desperadoes appalled him. Would Cornelius Vanderbilt, his old friend and enemy of thirty-seven years, resort to violence? Drew knew him better than did any of the exiles—Vanderbilt, who had "wrestled" in his youth; who in his middle years, when physically attacked by a political opponent, took on his assailant, a champion pugilist, and beat him senseless; who, when his wife resisted moving back to Manhattan from her beloved Staten Island, had her locked up in an asylum until she changed

her mind; and who quite recently justified forcing passengers to traipse through a midwinter snowstorm because the law was too slow for him. Would this titan of finance, wounded in purse and pride, stoop so low, play so foul? *Yes*, concluded Uncle Daniel. *Yes!*

Hurriedly, the directors summoned Police Chief Nathaniel R. Fowler, who required no explanations. He himself had been present at the depot in civilian clothing and, as a former dealer in the Washington Market, had recognized among the ruffians a number of ex-butchers turned sporting characters of whom he could believe the very worst. Indeed, New York was full of such elements, products of the seething underclass whose surfacing en masse in 1863 had produced the horror of the draft riots. It was quite believable that the hope of \$50,000, or a half or a third or a tenth of it, would induce scores of them to risk limb, liberty, and life. The peril then was great, it being agreed by all that this daylight foray had been no more than a reconnaissance in force, that the desperadoes would return by night to undertake the "grab." Uncle Daniel trembled for his safety but was assured by Chief Fowler, backed up by Thomas Gaffney, president of the Jersey City Police Commissioners, that any such attempt would be foiled.

At the 9:00 P.M. roll call that evening, Chief Fowler alerted the entire city police force, instructing all men on duty that night to hasten to Taylor's Hotel should rockets be fired from the windows. Under his personal command, a detail of fifteen picked men armed with clubs and revolvers then marched to the hotel, entered quietly, and proceeded to the second floor, where James Fisk, Jr., who more than rose to the occasion, presented them to his anxious colleague, announcing, "Mr. Drew, these are the gentlemen that are going to take care of you," then added with a smile, "They look as though they can do it."⁸ At this point Uncle Daniel himself managed a smile, thanked the officers (who saluted him smartly in return), and thereafter was heard to say that he didn't know much about fight, but knew a great deal about "No Surrender."

When he retired that night with cotton stuffed in the keyhole, the old gentleman took comfort not only from the presence of Jersey City's finest in an adjoining room, but also from a multitude of forces that Fisk had seen fit to deploy. There was a reinforcement of Erie detectives and other employees under the command of Inspector Masterson; a dozen couriers hastening back and forth between the Erie depot and New York; eleven Erie detectives at the depot and at ferry docks on both sides of the river; five others dispatched to areas in the city where toughs were known to congregate; three twelve-pounders mounted on the Long Dock, with the Hudson County artillery in reserve; and, patrolling the river nearby, four small boats manned by twenty-one men with Springfield rifles, which made Erie probably the first railroad in history to man

a navy. But that night no rockets burst in the sky, no rifles crackled, no cannon boomed; the attackers desisted.

"A most ridiculous state of excitement," reported the *Times* the next day, attributing the whole affair to "the wildest and most absurd rumors." The *World* called the alarm the "stuff of romance"; the *Tribune* reported it straightfaced at first, then assumed a mock-heroic tone; the *Sun* declared the mere threat of violence to the directors "a burning shame"; while the *Herald*, usually so cynical, insisted, "There can be little doubt that a desperate attack was meditated."⁹ On this assumption, the police guard continued day and night, reinforced by employees from the Erie depot and workshop organized into a corps of deputies, while Erie detectives maintained surveillance over the depot and ferry docks. Friends and business acquaintances continued to flock over from New York to urge "the old chancellor" (as the *Herald* now called Drew) to hold out, a message that scores of Erie workingmen also conveyed to him by letter. Bolstered by such support, even Daniel Drew could feel heroic.

Visiting the hotel, now christened Fort Taylor, on the eighteenth, the *Herald* reporter found the directors in the best of spirits: "The old chancellor seemed once more in Wall Street, vigorous as ever, thoroughly bent on business, and thereby allowing himself a few minutes to snatch a hasty meal. Mr. Eldridge, the president, was all smiles. Mr. Fisk, one would suppose, had just gained half a million in some gigantic speculation, while Mr. Gould swaggered about with the air of a conjuror who had just performed some extraordinary trick."¹⁰ One reason for their jauntiness was the fact that they had just slashed their Buffalo fare to seven dollars, which was slightly more than half the fare on the Vanderbilt lines. Asked how long they could hold out, Fisk declared: "Why, sir, the question of duration is one that never troubles us; this is a public question, and we must not throw personal comforts in the balance. Six weeks, six months or six years are all equal to us in this sense. Just see and judge for yourself. We could not be more comfortable anywhere, while our hours of business are about the same as ever."¹¹

Certainly Fisk's own routines were being maintained to a remarkable extent. Besides providing for feasts of quail and champagne, he had fetched over from New York his latest inamorata, Miss Helen Josephine Mansfield, a self-proclaimed actress whose delicate feet had yet to tread the boards. The previous November, when he had met her in an exclusive bordello, where she appeared strictly as a friend of the madam, Fisk had been quite smitten with this dark-haired, buxom beauty. He promptly paid her back rent, then set her up in a hotel suite and plied her with funds and attention. In honor of his new attachment, which promised to run fervent and deep, he had taken in hand the brushy red moustache that sprawled over his upper lip, waxing it to a rapier tip at

the ends. Now, anticipating a lengthy stay in New Jersey, he installed her in some rooms of her own in the directors' suite.

Both good family men, Drew and Gould must have been incredulous. A fallen woman planted in their midst while they were engaged in the battle of their life, with reporters poking about daily? Surely Jimmy wouldn't let her stay! But he did, shrugging off their reaction with a wink. Fortunately she stuck to her rooms, and thanks to Fisk's liberality with liquor, the journalists confined themselves to veiled remarks about the home comforts with which the directors beguiled their weary hours. Uncle Daniel of course kept his distance, but his nostrils must have twitched at times from a hint of immoral perfumes. Worse still, since Josie herself later testified that during the day the directors sometimes used her rooms "as a sort of rendezvous," this pious seminary founder may on occasion have found himself lured into a harlot's boudoir for an impromptu council of war.¹² Never had it occurred to him that fleecing Vanderbilt of \$8 million would bring him to such straits as these.

After a day or two of calm, the kidnap scare abated. In the company of the other directors, two or three times a day the old gentleman risked a walk through town. Then suddenly about noon of the nineteenth came alarming intelligence. A prominent member of the New York bar had advised the Erie counsel that the New York toughs were going to try to "copp" Drew again, the dread names of Cusick and Jim Elliott being invoked once more as the leaders. Instantly the directors informed Chief Fowler, who dispatched thirty-four men to occupy the corridors and reception room, while twenty specials were sworn in for night duty and some fifty Erie employees were rushed up as reinforcements. By 5:00 P.M. 125 men guarded Fort Taylor, while two companies of state militia were reported in readiness. Meanwhile the alarm spread like wildfire through the town, where several stores closed early while the nearby residents and even citizens of Hoboken and Hudson City turned out as armed volunteers. All day and night the tremulous Drew was sequestered and closely watched. The head of the stairs was guarded; reserves were stationed in the next room; and a special squad of six occupied the Speculative Director's bedroom, lest he be spirited out the window by stealth. But once again the marauders failed to show up.

Serious accounts of these events in certain New York City newspapers provoked the ridicule of the *Jersey City Daily Times*, which had already observed that Mr. Drew's protectors, both uniformed and otherwise, were not all strictly sober. The paper attributed the renewed invasion reports to local wags eager to play on Uncle Daniel's nerves and the credulity of big-city reporters. As for the support of the militia, the paper noted that on the nineteenth a militia company had been routinely drilling in Exchange Place near the hotel, which may have caused com-

muters in passing horsecars to spread rumors in outlying areas, where all kinds of would-be minutemen had armed themselves and come running to Taylor's Hotel. Concluded the *Daily Times*, "It was one of the biggest sells ever gotten up in this city."¹³

Yet again on the evening of the twenty-first came a report of New York toughs about to descend on New Jersey, with a consequent doubling of the police guard and renewed jitters for Drew, but no assault. This time even the *Herald* suggested that the old gentleman was being victimized by others, while the *Tribune* called the whole thing a fraud. Over the next few days Uncle Daniel quaked with apprehension while Fisk stalked martially about, puffing on his cigar, issuing orders, and vowing never to be taken alive. Bluecoats remained in evidence, backed up by Erie "detectives": seedy men in derbies, often tipsy, with big cigars planted in their teeth, who when off duty slouched and sprawled about in the hotel's former ladies' parlor, now the guard room. Gradually the excitement of these alarums and non-excursions diminished, although Chief Fowler assured a *World* reporter that he knew all the New York roughs and had his eye on them.

Was Vanderbilt really behind it? Then and later, the consensus said no. In the words of Charles Francis Adams: "A band of ruffians may have crossed the ferry, intending to kidnap Drew on speculation; but to suppose that the shrewd and energetic Commodore ever sent them to go gaping about a station, ignorant both of the person and the whereabouts of him they sought would be to impute to Vanderbilt at once a crime and a blunder. Such botching bears no trace of his clean handiwork."¹⁴ If not Vanderbilt's handiwork, then whose? Surely Fisk's, as he had contacts in "sporting" circles, and by improvising these repeated crises could ascribe dark deeds to the Commodore and at the same time convince Drew, whose commitment to No Surrender was suspect, of the folly of seeking a truce with the foe. Besides, Fisk's appetite for farce was boundless, and a state of siege gave him the perfect stage to play soldier on.

Across the river, meanwhile, the litigation was proceeding with a momentum of its own. Through their attorneys, both Drew and Vanderbilt denied the charges brought against them. Repenting of his hasty action, Judge Gilbert vacated his injunction of the ninth, which hardly mattered, since the Erie counsel obtained two injunctions from Judge Thomas W. Clerke of the Appeals Court, the first restraining Barnard from all receivership proceedings in Erie and the second restraining the Vanderbilt side from any action whatsoever. Barnard, however, announced that he viewed this latest injunction as void, and proceeded with the Richard Schell suit against Erie. Over the following weeks, his courtroom featured hot exchanges between bench and bar and frequent glimpses into the corruptions of law and finance.

In Jersey City the Erie directors were now dealing vigorously with matters at hand. There were spoils to divide, a railroad to run, and Vanderbilt to outflank and outmaster. Regarding the spoils, Fisk and Gould forcefully reminded Drew of the paper that they had made him sign on February 19, whereby he promised to surrender half the profits that he had made on the bonds, to be divided among Fisk, Gould, and the others. As a result, Drew paid over the money. It was a new experience for Uncle Daniel to have smart partners who called him to account and even deceived him. In spite of Fisk's tricking him on March 9, the Speculative Director had ample gains from his Erie bond sales, short sales, and calls, but never again would he milk the Erie cow alone.

These matters were of course kept private. In public, the exiles carried on the fight against Vanderbilt, hanging their hopes on the passage of a bill that their allies had introduced in the state assembly at Albany on March 13 and that the Railroad Committee was now considering. This bill would legalize the new issue of convertible bonds, sanction Erie's guarantee of the Boston, Hartford, and Erie bonds, and block the consolidation of the Central and Erie in the hands of Vanderbilt. In other words, it would give the Erie directors everything they wanted and permit them to return to New York in triumph. But to get this bill through the legislature was no easy matter, since the Vanderbilt forces would fight it every step of the way. Erie, to be sure, had some \$8 million of Vanderbilt money at its disposal, but its cause was not without embarrassments: Vanderbilt's proven ability for railroad management, versus Drew's for manipulation; the implicit confession of fraud in Erie's seeking legislation to legalize a bond issue that, if legal, should require no legislation; the current testimony before Senator Pierce's investigating committee by General Diven, Secretary Otis, and others—all professedly shocked by the events—affording vivid glimpses of how the bond issue had been perpetrated; the exiles' status as fugitives from justice; and their refusal, and that of certain nonexiled confederates as well, to appear before the Pierce committee at all.

Yet if the exiles' cause seemed somewhat compromised, their warnings against a Vanderbilt monopoly touched a tender nerve in Gotham. Although Vanderbilt ran his railroads with a ruthless efficiency, he was also a notorious rate-booster who abhorred competition. Clearly, control of Erie would give him a stranglehold on the commerce of New York and the West. By way of contrast, Erie had just slashed its passenger fares, so that even those outraged by its corruption had to think twice before advocating its reform by the Commodore. Pro-Vanderbilt to the core, the *Times* dismissed the "bugbear" of monopoly, but the *Sun*, the *Herald*, and the Jersey City papers pronounced it a very real threat. As early as March 12 the New York City Chamber of Commerce adopted a resolution in favor of Erie.

In all these maneuverings, the fugitives proved themselves deft fighters. To initiate the Albany legislation, they distributed antimonopolist petitions all along the road, which local residents signed and sent in a flood to Albany, while in Jersey City the directors themselves greeted reporters with scores of letters and telegrams, the gist of which was "no monopoly!" As for the fervent reformist sentiments of their adversaries, Gould on March 25 signed an affidavit, soon published in the press, revealing the partisan role of Caleb C. Norvell, the *Times* financial editor, in aiding the Vanderbilt camp, and the speculative activities in Erie of Vanderbilt and his allies, thus demolishing the *Times's* pretense of objectivity and the Vanderbilt side's high moral pose. "The Vanderbilt party," concluded the *Herald*, "is as deep in the mire as the other side is in the mud."¹⁵

Vanderbilt was of course fighting back. He dispatched lobbyists to Albany, terminated an arrangement to share passengers with the People's Line, and had copies of the Erie superintendent's reports of March 3, stating the disastrous condition of the roadbed, distributed along the Erie line. Yet throughout the whole war he himself remained tight-lipped and aloof. Erie? What had he to do with the Erie? Why, he was running his railroads and racing his trotters as usual; reporters seeking information could talk to his lawyers. Besides distancing himself legally, this pose masked his chagrin: after all, he had been clipped for \$8 million.

By way of contrast the Erie exiles, at Fisk's unflagging insistence, were wholly accessible to the press. Such exposure was a martyrdom for Drew, who longed for peace and privacy but was swept along by his colleagues as they gleefully indulged in whispered conferences, sent and received mysterious telegrams, and rushed back and forth between momentous councils of war. Then on March 19, while all eyes were fixed on the growing battle in Albany, a bill giving the Erie Railway Company (whose name was mentioned nowhere in the text) the full status of a New Jersey corporation was quietly passed by both houses of the New Jersey legislature and sent on to the governor's office to await his signature. That this important bill should have been slipped through the legislature so adroitly spoke volumes for the skill and prodigality of the Erie agents at work in Trenton.

Outflanked, the Vanderbilt camp belatedly rushed lobbyists to Trenton to dissuade Governor Marcus L. Ward from signing the bill and to urge the legislators to recover it from his office and kill it. The very next day, however, when in connection with some other legislation the Trenton lawmakers made an excursion en masse to Jersey City and dined at Taylor's Hotel, the directors entertained them lavishly. Many of the members, whom the press described as "in a state of high spiritual excitement," asked to pay their respects to Mr. Drew. Uncle Daniel, how-

ever, remained resolutely secluded in his room, having had his fill of inebriates, whether journalists, detectives, or legislators. It did not matter, however, since the prospect of luring this most generous of railroads to the Garden State was too tempting for all concerned. The bill remained in the hands of the governor, who signed it on March 30. Erie had now acquired a safe haven, so the guard at the hotel was dismissed, and the directors announced that Gould had bought a handsome residence in New Jersey, where he planned to establish himself with his family. The Erie Railway, it seemed, could do nicely without New York.

Yet the exiles had no desire to abandon New York and were fully aware that the issue would be decided at Albany, with the defeat or passage of the Erie bill before the assembly. For some weeks the Railroad Committee had been weighing Erie corruption against the threat of a Vanderbilt monopoly, even as the Pierce committee took testimony on Erie's recent issue of \$10 million of remarkably convertible bonds. Still, few informed observers expected the matter to be settled on any basis other than money, given the high standards of venality prevailing in Albany, where susceptible legislators were routinely stalked through cloak-rooms and corridors by a seedy legion of lobbyists flaunting diamond studs, big watch chains, ruddy noses, and cash. If even half the reports were true, votes from both parties on any measure could be bought in quantity.

One can well imagine the reaction in such circles to the first tidings of the Erie war. Veteran lobbyists who had left Albany in despair at an unprofitable season were reported packing their carpetbags for an immediate return, lured by wild rumors of "counsel fees," "retainers," and "hush money." Since a local paper estimated Vanderbilt's wealth at seventy million dollars and Drew's at only fifteen, the odds of course favored the Commodore, although Erie's agents were said to be prepared to spend lavishly—by one account, up to \$2 million.

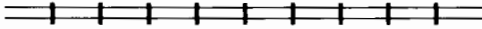
By March 25, when the assembly's Railroad Committee ended its hearings on the bill, nothing else was talked of in Albany. Many assemblymen had determined to bypass the lobbyists completely so as to "bag" all the money for themselves, deeming two or three thousand appropriate, although some held out for four. Vast was their indignation, then, upon learning that the Erie lobbyists were offering a paltry thousand dollars—five hundred down and five hundred upon passage of the bill. Worse still, when some of them tried to collect the five hundred down, they learned that the top Erie lobbyist—no doubt bribed by Vanderbilt—had vanished with the money. Not surprisingly, the Railroad Committee on March 27 unanimously reported the Erie bill adversely, whereupon the assembly adopted the report by a vote of 83 to 32. Score one for Vanderbilt.

But the fight was far from over. Determined that it too should share in the spoils, the senate had introduced a similar Erie bill of its own. The assembly vote, then, was simply a broad hint to the exiles that a more openhanded approach was in order. The hint became tangible in the person of Sen. Abner C. Mattoon of Oswego, a Republican, who made a special effort to get himself named to the five-man Pierce committee investigating Erie. When the committee came to New York to hold its first hearings on March 10, Mattoon dropped by the Erie office in West Street and introduced himself to Drew, Gould, Diven, and others. Diven later recalled Mattoon as saying that the committee's object was mercenary, but that he intended to assure fair play. Just why he felt the need to announce these noble sentiments to the directors, the very gentlemen whom his committee had been empowered to investigate, the senator did not make clear.

About the same time that he visited the Erie office, Mattoon called on Drew at his home and discussed the investigation, giving Drew the impression that he was out for money. Then, after the flight to New Jersey, the senator came to Jersey City and discussed the situation with Drew, Fisk, Eldridge, and Davis. According to Mattoon's later testimony, he was simply presenting himself as a friend of the railroad, mindful that his constituents in Oswego had benefited from an Erie branch that ran to their city. But Drew had a different recollection: "I think that Mattoon made use of this language to me at one time; that he, or no man, could go there [to Albany] and live on what their pay was; I said to him, 'I don't know; I have nothing to do with this matter at all, in any way or shape, and will not'; he intimated as if he would take money if it was offered to him, or anything like that."¹⁶ Subsequently, the defeat of the Erie bill in the assembly prompted yet another visit to Jersey City by the senator on Saturday March 28, on which occasion, according to Gould's later account, the senator warned the directors that there were prejudices against them in Albany, prejudices that an Erie representative should come up personally to explain away.

The exiles took the hint. The battle in Albany could still be won, if waged more efficiently and more lavishly. One of their own number must brave Judge Barnard's wrath to take charge of their affairs at the capital. What was called for was energy, brazenness, cynicism, and a dearth of scruples. The choice fell on Jay Gould. But how could he avoid arrest? Erie's counsel, David Dudley Field, found the answer. By promising Sheriff James O'Brien of New York that Gould would appear before Barnard on April 4, he obtained an assurance that Gould would not be molested before then. This arrangement guaranteed Gould almost a full week of freedom, which was time enough, perhaps, to turn the tide of battle decisively.

On Sunday evening March 29, at Taylor's Hotel the press noted that the Erie directors were tight-lipped but jubilant. At last it leaked out that Director Gould had left suddenly for a secret destination, carrying a black traveling bag stuffed with two or three million dollars of Vanderbilt's money. Rumor had it that he was on his way to Ohio to let out the remaining contracts for building the connection to Chicago, but in point of fact he had taken the night boat to Albany. So began the final and climactic phase of the exiles' great struggle with Cornelius Vanderbilt. They knew the price of New Jersey. What was the price of New York?



The Battle of Albany

Jay Gould had been in Albany less than two days, when Erie counsel David Dudley Field received a telegram:

Albany, March 31, 1868.

I am just arrested by the Sheriff—returnable Saturday. This is in violation of your agreement with the Sheriff. Bail, \$500,000.

Jay Gould.¹

The exiles in Jersey City were dumbfounded. What had gone wrong?

Arriving by boat Monday morning March 30, Gould had promptly checked into Parlor 57 at the Delavan House, a well-appointed hotel frequented by lobbyists and politicians. Informed of his return to the Empire State, Vanderbilt's emissaries immediately wired their colleagues in New York. They in turn, ignorant or contemptuous of Erie's agreement with the sheriff, notified Judge Barnard, who at once ordered Gould's arrest for contempt of court. At 3:00 P.M. on Tuesday Gould was taken into custody at the Delavan House, but being amply funded, he had no difficulty in putting up the half million dollars of bail. These formalities seen to, he was free for the balance of the week, pending his appearance before Barnard on April 4. That very evening he made his way up State Street to the dome-topped capitol and appeared in the chamber of the assembly.

But more trouble was in store for Gould and Erie. No sooner had word spread that in Parlor 57 of the Delavan House free cigars and champagne were being lavishly dispensed, while from a nearby trunk (the black traveling bag had been marvelously metamorphosed) thousand-

dollar bills were leaping forth into the eager palms of lawmakers and lobbyists—no sooner, in short, was the campaign gloriously under way, than Erie's cause was jolted from two different quarters simultaneously.

First, there was the Pierce committee. The Erie leaders, having been courted diligently by Senator Mattoon, assumed that his vote would guarantee a favorable report. When the committee met on March 31, two members signed one report and two another so that Mattoon could dictate which report, one critical of Erie, one not, should represent the majority opinion. Calling both reports "pretty strong," he declined to sign either and said he would like to sleep on it. Overnight, counterarguments from the Vanderbilt side must have reached him—by one report, \$20,000 plus a thousand for his son, topping the \$15,000 that he had already received from Erie. Therefore on April 1 Mattoon signed the unfavorable report. Thus the Pierce committee announced to the senate that Drew, Gould, Fisk, and Eldridge had violated law and morals in manipulating and overissuing Erie stock, while the minority report simply stated that no charges had been proven and offered an Erie bill similar to the one that the assembly had rejected.

Yet even as Erie suffered this defeat in the senate, high drama was unfolding in the assembly downstairs. On that same fateful first day of April Elijah M. K. Glenn of Wayne County, a quiet, white-bearded rural assemblyman, elderly and infirm, rose and in a voice quivering with emotion announced that the assembly's report and vote on the Erie bill had been bought, for which reason he charged "corruption deep, dark, and damning on a portion of this house." This accusation provoked a heated debate and calls for an investigation, while the press hailed in Glenn the determined righteousness of the martyred John Brown, whom he was said to resemble. Subsequently, however, the new hero, who was in the frailest health, gave only vague and rambling testimony before an investigating committee, which therefore exonerated a fellow assemblyman accused by him, though it held a minor lobbyist for grand jury action. Censured by a vote of his colleagues, Glenn resigned his seat in disgust and vanished into honest obscurity.

It was not Glenn who threatened to cramp Gould's style in Albany, but Justice Barnard, before whom the delinquent at last appeared on April 4, having returned from Albany in the custody of Sheriff O'Brien. Flanking the defendant in court were no less than seven Erie counsel, two of them ex-judges, who persuaded Barnard that he risked following improper procedures, whereupon the judge adjourned the case to April 8. The Erie counsel then had the sheriff served with a writ of *habeas corpus*, commanding him to produce his prisoner before Judge Barrett of the Court of Common Pleas, who put Gould in charge of James A. Oliver, an officer of his own court, in whose strict custody Gould was to

remain until he appeared before Barrett. To observe this technicality, Gould induced Oliver to accompany him on a night train to Albany, where on arrival Gould announced that he was seriously ill, sought his room in the Delavan House, and sent for a doctor. On March 10 the baffled Oliver appeared in Barrett's court without his charge, explaining that Gould continued to plead illness, although able to walk to the capitol in a snowstorm and to entertain countless gentlemen in his quarters. Barrett's anger now matched Barnard's, but repeated summonses to the culprit were answered only by affidavits attesting to his illness in Albany, plus a charge that Oliver had become a spy there for Erie's enemies. In the end, the application for a *habeas corpus* was discharged and the prisoner returned to the custody of the sheriff, who had not laid eyes on him for days.

Meanwhile Gould had been expending vast amounts of energy and money to sway the lawmakers of Albany. Arrayed against him were an army of Vanderbilt agents headed by Vanderbilt's son-in-law Horace F. Clark. To counter their arguments and influence, this shy but guileful introvert held forth with remarkable aplomb in Parlor 57, greeting all comers with an openhandedness worthy of his partner Fisk. Under Gould's direction, Erie's largess poured forth not at a paltry five hundred dollars at a time, but in tens and hundreds of thousands, the total amount never to be known, although at the time estimates ranged from three hundred to eight hundred thousand dollars.

Where did the money go? According to Gould's later testimony, it went to counsel and agents for legitimate services in promoting the Erie bill in Albany. Still, he admitted telegraphing dozens of persons in districts served by the Erie, urging them to come to Albany and fight for the bill, for which efforts they were of course reimbursed. From all over the state, glowing reports of Erie's generosity precipitated a wild rush to the capital of hosts of would-be influence-peddlers, in dealing with whom, by his own account, the honest Gould displayed a naiveté that verged on delusion. Thus a Brooklyn harbor master with no known political connections received \$5,000 (chiefly, Gould later insisted, to avoid trouble with the man and "smooth him over"), while the editor of the *Daily Advertiser* of Elmira, having already obtained over \$60,000 from Director Henry Thompson in New York, became one of the chief Erie lobbyists in Albany, received still more money there (by one account, \$100,000), then was paid by the other side to decamp.

These heroic initiatives the other Erie directors watched with interest from their exile in New Jersey, where visitors were fewer now and their life had become more routine. Their ranks were thinner, however, for Henry Thompson had been arrested upon appearing at the Astor House on March 21. Free now from kidnap threats, Uncle Daniel spent

his time reading newspapers, conferring with friends and colleagues, or pacing up and down in the directors' suite, ruminating some new plan, exactly as he had done in Groesbeck's office in Broad Street, and in the taproom of the Bull's Head long before. Meanwhile Fisk, who was handling the daily business of the railroad, talked cheerfully with callers, his desk piled high with telegrams and letters, while the energetic Eldridge seemed always to be darting about, appearing one day in Trenton, another in Jersey City, and the following day no one knew where. Regarding events in Albany, they all professed to be immensely confident.

Drew, however, now found himself the target of keen personal shafts hurled by Horace Greeley, the crotchety crusading idealist whose *New York Tribune* was probably the most influential paper in the country. Although Greeley himself years before had subscribed five thousand dollars to Erie's construction, on which he claimed a forty percent loss, his financial editor had generally assailed the Erie management less savagely than had the *Times* and *Herald* and had even defended Drew's notorious loan of 1866. In the face of the latest Erie scandals, however, Greeley decided that the time for indulgence had passed. In a lengthy editorial that appeared on March 28, he rehearsed the "dark transactions" of Erie's recent history, then drew a telling contrast between the chief antagonists:

We have said that, as between Drew and Vanderbilt, few people have any choice. But they do compare oddly, just now. Mr. Vanderbilt sits in his office in Fourth Street, buying Erie about as fast as his opponents print it, and preparing for the day . . . when he shall try, fairly and squarely, to make it a good property. . . . Mr. Drew is a fugitive from justice in hiding in New Jersey; seeking to arouse public sympathy by the concoction of Munchausenish tales of attempts to kidnap him; sending to Albany for whitewashing acts, and simultaneously sending to Trenton for acts to render him independent of Albany legislation; running from the process of Courts, and appealing to the same Courts to gag and bind his own stockholders . . . denouncing Commodore Vanderbilt as the great monopolist . . . and at the same time [here Greeley anticipated] sending private messengers to the same Commodore to beg for compromise on any terms.²

Greeley then repeated the familiar charge that every Erie director had enriched himself, but added a novel insight:

As with the chiefs, so with the subordinates. Superintendents, conductors, station agents, and even brakemen, have saved small fortunes out of meager salaries. . . . When Mr. Drew was short of the stock, there was a sort of merit in making the passenger receipts as

light as possible; and in this particular we can quite understand how—as one of the “Jersey exiles” pathetically observed to a reporter—“the devotion of the Erie people to Mr. Drew is really touching.”³

For these charges, however, there was no evidence.

Usually, the Speculative Director shrugged off adverse comment in the press, but this attack by the nation’s foremost journalist stung. In reply, from Jersey City he sent the *Tribune* a statement dated April 2, in which he protested this “injurious discourse,” defended his conduct as an officer of Erie, and regarding his status as a fugitive, declared: “I am in New Jersey, it is true, but whether the combination which has driven me from my home and business is an honorable one is precisely the question at issue. You seem to think it is; I hold it to be wicked and disgraceful.”⁴ The *Tribune* printed Drew’s statement in full, but in an editorial of April 4 entitled “Mr. Daniel Drew,” Greeley announced that he was declaring war on criminal railroad financiers and employees, and he invited Drew to answer ten questions on such delicate matters as Erie’s finances and lack of dividends, the amount of his short transactions and resulting profits in the stock, and his 1866 loan “at most enormous usury,” which questions, the editorial asserted, any honest businessman could answer. Then followed a pointed summons to the accused: “Will you come to the front?”⁵

Arraigned so sweepingly, Uncle Daniel had no intention of coming to the front. Nine days later another *Tribune* editorial bearing Drew’s name as its title asked why he had “dried up” so suddenly. Reprinting the ten questions, it invited the legislature to get answers to them before altering the laws to oblige Mr. Drew. At this point, someone who signed himself “Alpha” sent the *Tribune* a lengthy and spirited defense of Drew, asserting that Drew had often been Erie’s only friend in the past, and that his bearishness in the stock had done less harm than the mindless or self-interested bulling of it by newspapers like the *Tribune*, under whose influence the writer, as manager of an estate, had once bought the stock at 85, only to sell it at 37 a few months later.

Such arguments hardly made a dent on Greeley, who in any case had now shifted his scrutiny to the corruption in Albany, whose atmosphere, he declared in an editorial of April 11, was “mephitic and pestilential” and in need of some purifying thunderclaps. To help produce them, Greeley packed his worn carpetbag and hurried to the capital, where he cut an odd figure with his pinkish moon face fringed with whiskers, his baggy trousers and floppy wide-brimmed hat, as he shambled among the politicians and lobbyists.

Meanwhile, when not following events in Albany, Drew and the

other Jersey City exiles had their gaze fixed on the courts of New York City, which daily offered to the public the rich entanglements of *The People v. the Erie Railway Company, etc.*; *Richard Schell and others v. the Same*; *John Bloodgood and others v. the Same*; *The Erie Railway Company and James Fisk, Jr., v. Marshall B. Champlain, Attorney General, etc.*; *William Belden v. Cornelius Vanderbilt, etc.*; the contempt action against the Erie directors; the contempt action against Jay Gould; the *habeas corpus* action on behalf of Jay Gould; and diverse other proceedings, the exact relevance of which neither the public nor, one suspects, the bench and bar of New York ever quite grasped. The courtroom of Justice Barnard was especially favored with scenes of high and low drama. Attorneys traded barbs and insults; one lawyer all but came to blows with a witness; in a single session Fisk's partner Belden, for refusing to answer questions, was cited for contempt six times; while the judge himself, upon hearing his integrity impugned, threatened grand jury action one time, perjury charges another, and on other occasions orated, wept, or raged. To be sure, he had provocation. Erie spies had dogged his footsteps and one of them, straightfaced, had sworn to an affidavit accusing him of implication in the attempt to kidnap Drew; in retaliation, the judge hired spies of his own.

Far removed from the judicial carnival of Manhattan and the dynamic corruptions of Albany, the exiles now found their life in Jersey City tedious. Since a New York statute forbade arrests in civil suits on Sundays, they crossed the river once a week, Fisk and Mansfield to snatch at the delights of the metropolis, while Drew touched base at home. Yet during those twenty-four hours only were the exiles safe, since Barnard's wrath remained unallayed. Of the eight directors liable to arrest, only Fisk and Eldridge had not been served. Bored with New Jersey, in a fit of bravado Fisk appeared one night at the Manhattan Club on Fifth Avenue, the known resort of Vanderbilt and his cronies. Finding some Vanderbilt men on the premises, he greeted them blithely, but when one of them went for the police, he made a wild dash by carriage to the docks, where a waiting tugboat whisked him back to New Jersey.

Such escapades were not for Drew. Although no contempt proceedings before Barnard hung over him, he clung to the New Jersey haven, since as treasurer he felt especially vulnerable to the actions of a receiver, and his testimony on many matters was urgently desired in New York. But after weeks of exile, his endurance was wearing thin. For a man of his years and habits, it was not easy to be lodged cheek by jowl with the egregious Fisk and his fancy woman, the unconscionable Eldridge, and the scheming Gould. Repeatedly denounced by the press, he had been made the object of dire threats as well and shut up in his room, guarded from toughs by toughs. All around him there had been intem-

perance and profanity, coarse revels, even fornication. He longed for his quiet hearth, his family, and Wall Street. In his wavering mind, the talk of "no surrender" stirred ever fainter vibrations. Surely, if he and Cornele could sit down alone together face to face and talk, the whole thing could be ironed out.

Unknown to his Erie colleagues at the time, on Sunday March 29—soon after the kidnap threats and on the very eve of Gould's departure for Albany—Uncle Daniel utilized his Sabbath immunity to call on Vanderbilt at his home in New York. By one account, the meeting had been initiated by Vanderbilt, who to penetrate Fort Taylor's vigilant security had a detective posing as a commercial traveler take a room in the hotel. Finding Drew well guarded, the detective induced a waiter to smuggle a note to Drew at lunch, inviting him to a parley, an act that is said to have cost the waiter his job, although Vanderbilt got him a better one. But whosoever the initiative, the two antagonists met discreetly at 10 Washington Square. When the Commodore announced that Drew had been a damn fool to run off to Jersey City, Drew allowed as how he was "circumstanced in an ockerd light."⁶ Vanderbilt presumably then ranted on a bit about how they had robbed him and he would not stand for it, while Drew interposed that perhaps they could work something out. Nothing was settled by the end of the interview, but the ice was broken. In time, however, word of the meeting reached Fisk and Eldridge, which put them on their guard.

In mid-April, even as three or four Erie suits were being heard simultaneously in New York, and as the senate was staging full-day debates on the Erie bill in Albany, came jolting news. Early on the morning of April 15 an eastbound Erie express, running to make up lost time in the rugged terrain around Carr's Rock, thirteen miles northwest of Port Jervis, New York, broke one of the weakened iron rails beneath it. As a result, the four rear coaches of the train jumped the track on a sharp curve and hurtled into a wild ravine fifty feet below. Many died instantly, and when a smashed sleeper burst into flames, many more burned to death trapped in the wreckage, their piercing screams adding a further note of terror to the scene. The final toll was forty dead and seventy-five injured.

The newspapers reacted at once with horror and outrage. The *World* decried the Erie directors for "weaving spiderwebs of financial intrigues" in Jersey City, instead of supervising their railroad. "Look at the mangled corpses at Port Jervis," the *Tribune* commanded both the warring railroad kings, "and answer upon your honor if you are not to a great degree responsible for the blood of these victims!"⁷ Fresh in the editors' recollection were Superintendent Riddle's confidential reports of March 3, with their anxious mention of broken and worn-out rails, which the Erie

management had publicized in order to demonstrate the need for the new issue of bonds. The Vanderbilt forces in Albany seized on the wreck as proof of Erie's corruption, while the Erie side reiterated their contention that the controversial new bonds were intended precisely to remedy the cause of the disaster with urgent work that the Vanderbilt injunctions had blocked.

Three days after the accident, with the horror still vivid in everybody's mind, the Erie bill came to a vote at last in the senate. The proposed act legalized the new issue of bonds, on condition that the proceeds be used to complete and operate the road, failure to do so being punishable by two to five years in prison. It also authorized Erie's guarantee of the bonds of connecting railroads, forbade any pooling of earnings between the Erie and the Central, and stipulated that no officer of the one should hold office in the other. Because of the bond provision, a *Tribune* editorial called the bill "a direct premium on rascality," and the *Times* financial editor insisted that the "insulting proposition" would surely be rejected in the end. Fisk told Josie Mansfield that his future was "either a Fisk palace in New York or a stone palace at Sing Sing"; if the latter, he urged her to take a cottage nearby, so that her presence would make his "rusty irons garlands of roses" and render the stones easier to crack.⁸

The chance of Jim Fisk's encountering rusty irons at Sing Sing decreased substantially on Saturday April 18, when the senate passed the Erie bill by a vote of 17 to 12. Among the ayes was the volatile Senator Mattoon, who had flipflopped once again.

That same day, however, the victorious Gould was not celebrating, but testifying before a senate committee headed by Sen. Matthew Hale, which in the wake of Assemblyman Glenn's charges had been appointed to investigate the alleged bribery of senators. Gould stated that he knew nothing of such practices; that he had spent money only for the legitimate services of counsel and lobbyists; that he had never speculated in Erie stock while a director; and that for his services to Erie in Albany he had not received one dollar, not even for expenses. Presumably he kept a straight face.

All eyes were now fixed on the assembly, where a desperate struggle was anticipated. Vanderbilt's Hudson River and Harlem lines had made a great point of extending the legislators' passes for two weeks beyond May 1 and, in anticipation of a vote in the assembly on Monday, ran a special train to Albany on Sunday evening April 19 to bring back the New York City members, who were especially inclined to Vanderbilt. On Monday morning, however, a report ran through the capital sowing panic in their hearts. At 9:00 A.M. both Jay Gould and the Vanderbilt lobbyists had received telegrams from New York announcing that some

kind of compromise had been reached, or that the Commodore, having counted the votes, knew that he had lost. At any rate, Vanderbilt had withdrawn his opposition to the bill; not one more penny would he spend. Faces blanched at the news, voices gasped. By 10:00 A.M. the assemblymen were making a run on Parlor 57 of the Delavan House, where those who not long before had been holding out for five thousand dollars were now eager to settle for anything not under a hundred. But, with victory all but assured, Jay Gould had slammed Erie's coffers shut with a bang.

With this great overthrow of hope—this sudden blighting of the chance to sell oneself yet again, and exorbitantly, to one if not both sides—the members grew bitterly resentful. Reports had it that the Vanderbilt and Drew forces had reached an understanding at the Manhattan Club in New York the night before, so that even as they sped back to Albany on their special train, the assemblymen had been sold out. As their thwarted greed kindled into rage, it was Vanderbilt whom they vilified, since it was he who had abandoned the fight. Rushing to take up the bill, practically the same one they had rejected less than four weeks before, the assemblymen passed it 101 to 5. Then, to punish Vanderbilt, the members ransacked the docket and in rapid succession passed three bills deemed injurious to his railroads. No legislation was too sweeping, no curse too virulent, to vent their rage. Meanwhile the Erie bill went to Gov. Reuben E. Fenton, who signed it into law the next day.

So Erie won the great fight. Yet observers sensed that something was wrong: in the Vanderbilt camp they discerned not despair but quiet contentment, while in Jersey City there was turmoil, rage, and dismay. Fisk and Eldridge had just discovered that Uncle Daniel had vanished and with him the Erie treasury; he was going to hand it over to Vanderbilt!



Negotiations and Peace

The Speculative Director's desertion had been long a-building. Practically every Sunday in April, when he returned to New York to visit his family and church—and probably on other occasions as well, when he slipped off under cover of night and crossed by the Weehawken ferry to the north of Jersey City—Erie's treasurer called on Vanderbilt at his Washington Square residence. There, as so many times before, he plied the Commodore with guileful appeals and assurances, feeding him secrets from the Erie councils, urging compromise, and promising tearfully to mend his ways. Vanderbilt knew what Drew was up to, but he also knew that his chances at Albany were worsening, and that, as he himself put it, he could buy up the Erie Railway's outstanding stock, but he couldn't buy up its printing press. Moreover, the October election was a long way off, and prior to it there was no way he could get control of the railroad. So he was willing to treat with Drew in hopes of obtaining a settlement and, knowing Drew, of inducing him to desert his allies.

Meanwhile Drew's fellow exiles had become suspicious of his intermittent absences. On Sunday April 19—the day after the senate had passed the Erie bill and with the assembly's vote due the next morning—Drew went to the city again, but this time, so the story goes, Fisk had an Erie detective follow him to Vanderbilt's door. Already alarmed when their absent colleague failed to return that evening, shortly after midnight Fisk and Eldridge received the startling intelligence that Uncle Daniel was consorting with the enemy, and probably that he and Vanderbilt had reached some kind of agreement in New York. In genuine fear

of an attack, they called on the police to guard both themselves and their money, which was lodged in a nearby bank. Obliging as ever, the local bluecoats turned out and stood guard all night. But Drew had either anticipated them or found a means of eluding their vigilance, for Fisk and Eldridge soon discovered that Erie was missing not only its treasurer but also its treasury. The loss was catastrophic.

Drew's removal of the Erie money to New York resulted from his Sabbath conference with Vanderbilt, to whom he confessed that he was heartily sick of his exile in New Jersey. Mindful that the greatest victory in Albany would still not permit him to set foot in his home state without fear of arrest, he wept, begged, and pleaded with the Commodore to allow him to return unmolested. In exchange, he promised to hand over the entire Erie treasury, which when once safe in the hands of the receiver—Vanderbilt's son-in-law, Osgood—would practically guarantee a Vanderbilt triumph in the war. Needless to say, the Commodore was amenable. With the arrangement all but completed, Drew returned to Jersey City to either allay the suspicions of his colleagues or persuade them to acquiesce in his *fait accompli*. He found them livid. Confronted by Fisk, who demanded to know what he had done with the money, he is said to have protested, "Why Jeems, ain't I treasurer of the company?" "That's all right, but we want to know what the treasurer has done with our money." "Well, it wasn't safe here, so I tuck it to York."

At this point Fisk sprang a little surprise of his own. Not only had the Erie treasury been deposited in New Jersey, but Drew's private funds had been placed there as well. Consequently, Fisk persuaded a local judge to attach those funds, pending the return of the treasury.

Uncle Daniel was stunned. He fell silent and paced back and forth, hands clasped behind his back, eyes down. For two minutes not a word was spoken, then he looked up with a winsome smile and said, "Well, Jeems, you are about as keen as you need to be. How kin we compromise this?"¹ In short order Drew returned the Erie money to New Jersey, following which Fisk removed the attachment on his funds.

Although Vanderbilt had been frustrated in his attempt to recover his money, he continued negotiations with Drew, hoping that through him he might persuade a majority of the Erie board to accept a settlement. But Fisk, Gould, and Eldridge now regarded Drew as a renegade. Henceforth they excluded him from their councils, monitored his telegrams and interviews, and hypothecated the Erie funds in Jersey City so that Drew could not withdraw them without their consent. Drew was now treasurer in name only. Erie's affairs, then, were in total disarray at the very moment when, surely by arrangement with Vanderbilt, the board of directors on April 22 managed to hold a long overdue formal meeting—the first since March 9—in New York. The Jersey exiles all

crossed the river by ferry, but when eleven directors convened in the Erie office at 11:00 A.M. and then again at 5:00 P.M., neither Drew nor Eldridge was present. And when ten directors reconvened the following day at 3:00 P.M., Fisk and Gould were absent as well.

The absence of the Erie leaders betokened both dissension and confusion. Drew was at odds with his former allies and still technically suspended as director; moreover, even though he was working out a personal truce with the Commodore, it was not clear to what extent it might apply to his colleagues, especially since Vanderbilt did not necessarily speak for Judge Barnard. This was demonstrated when word came to the exiles in New Jersey that David Dudley Field had obtained a discharge of the contempt proceedings against them. Elated, Fisk crossed the river, dropped by his office to tidy up affairs, then hastened blithely to Judge Barnard's courtroom, where, bouncing himself down beside Field, he declared joyfully that at last he was "out of the hands of the Philistines." "Are you?" said Field, who quickly informed him that he had obtained no such discharge and that Barnard was as eager as ever to clap him in jail. Appalled, Fisk bolted, but the judge launched the police in pursuit. There followed another madcap race by carriage to the docks, where Fisk hailed a passing tug and urged the crew to "go like the devil for Jersey," promising them a fabulous reward. The police hailed a second tug, but too late, so that Fisk made it back to Jersey yet again.

With Erie's affairs in flux and an arrangement with Vanderbilt imminent, Drew had no time to attend the April 23 meeting—the first under a New Jersey charter—of the board of trustees of his seminary; instead, he sent his son. So it was that in the founder's absence the board accepted the new charter and elected officers. If the eminent Methodists present knew of the unflattering comments on their founder in the press, they gave no sign of it. They elected him president again, proposed that the school seal bear his likeness, and named the school's main building, the old Gibbons mansion, Mead Hall in honor of his wife. To be sure, one detail remained; Brother Drew had neglected to deed the grounds and buildings and to convey his endowment to the school. McClintock however announced that, in a recent interview, Mr. Drew had stated his anxiety to do so, "and only waited for the final consummation, for the difficulties now surrounding him to pass away." This was the only official note of Drew's predicament that the seminary ever took.²

April 23, the date of the seminary board meeting, was the last day and night that Drew was obliged to spend in the watchful company of his fellow exiles. On the twenty-fourth, word came at last from a Vanderbilt agent that he could resume residence in New York without fear of arrest, so immediately he packed his bags and departed. When he appeared on Broad Street in the afternoon, the market turned up sharply,

reflecting the bulls' conviction that a truce between the railroad kings augured well. Scores of friends and acquaintances rushed up to welcome him back, while even those who had been outraged by his Erie misdeeds greeted him with courtesy and respect. After all, not just anyone could take on Vanderbilt and survive. Besides, he gave every indication of having fulfilled an American dream—to cheat big and get away with it.

Back in Jersey City, Fisk and Eldridge found themselves left in the shade. Both were New England men, long separated from their families. On the afternoon of April 25, therefore, they abandoned Fort Taylor for good, hired a tug to intercept a Rhode Island-bound steamboat, scrambled aboard, and set out for Boston. In the wake of their departure the bar earnings at Taylor's Hotel plummeted, while Jersey City settled back into a predictable and humdrum existence.

Thereafter, subtle hints from the courtrooms told the public that the railroad kings and their allies, or at least some of them, were engaged in prolonged secret parleys. In quick succession Drew's suspension as an Erie director was vacated, other motions were adjourned, and Gould's bail was reduced to a mere \$10,000. Clearly, the whole affair was being let down gently, so that even the judicial vaudeville of Barnard's courtroom lapsed into a tedious decorum. From the Erie delinquents, however, Barnard still demanded some gesture of contrition, and this they declined to provide. From Boston, Eldridge sent an affidavit stating that his family were stricken with scarlet fever; Fisk also clung to the Hub, renewing acquaintance with his long-neglected wife; and Uncle Daniel, though subpoenaed to appear May 7, on that date was nowhere to be seen, and immediately afterward visited his family in Putnam County for a week. Fresh from his travails, he appeared to the home folks as a hero, the local paper noting that he looked remarkably well and possessed energy enough to tilt with Vanderbilt or any man.

Back in New York, the Merry Old Gentleman of Wall Street found himself served with an attachment at last, and therefore gave bail to guarantee his presence in court. Yet repeatedly he failed to appear, first, so he explained through his lawyer, because he had heard that the judge would take no more oral testimony; then because of a prior commitment as pallbearer; and finally because his lawyers argued that the proceedings were improper. That Barnard neither fumed nor ranted shows to what extent, with compromise in the air, he had huffed down by stages, until as Charles Francis Adams put it, "he roared as gently as any sucking dove, and finally he ceased to roar at all."³

By early June all the Erie exiles, by the grace of Vanderbilt and Barnard, were once again in New York. At a board meeting on June 11, the Erie executive committee announced that it was negotiating to end the litigation and hoped to do so with the consent of all leading stockholders.

This represented a victory for Drew, who by now had won Eldridge and Thompson over to the cause of compromise, so that a majority of the executive committee was behind him. The negotiations, however, stretched out over a period of weeks because many parties were involved, most of them at odds with one another and all clamoring to be richly satisfied. Fisk and Gould were still adamantly opposed to any settlement, and because of Drew's betrayal were determined to oust him as both treasurer and director. So weary of the affair was Uncle Daniel, that—on certain conditions—he was willing to go. As for Eldridge and his Boston clique, they too might be willing to bow out, if amply recompensed. All in all, then, a settlement seemed possible, if Fisk and Gould could be won over or got round.

Acting on the authority of an executive committee resolution of June 13, Eldridge pursued negotiations to resolve the litigation and settle Erie's accounts with Drew, accounts that over the previous four months included twenty thousand here and fifty there to Drew, Fisk, and Gould for "incidental" and "legal" expenses, as well as half a million to Eldridge. Meanwhile, in separate negotiations with Vanderbilt, Drew in late June agreed to relieve him of 50,000 shares of Erie at 80, when the stock was selling at 70, on condition that Vanderbilt hold another 50,000 shares and not sell them without consulting him. In this fashion, even though he would leave Erie now, the Speculative Director thought that, with Vanderbilt's help, he might regain control of the road before the next election in October.

But if Vanderbilt and Drew had any thoughts of concluding a private arrangement by themselves, they reckoned without Fisk. "Who is this Fisk?" Vanderbilt is said to have once asked a lieutenant, and when told he was "one of Drew's pets," announced: "Then we must kill him off. He's too sharp for a greenhorn, and too bold for an old hand. I don't know what to make of him."⁴ Fisk of course had not been killed off and now, with Gould at his side, thrust himself into the negotiations. One day in late June the two of them sought out Vanderbilt at his home on Washington Square and were shown upstairs, where while Gould waited in a front room, Fisk was summoned into the bedroom by the Commodore. Fisk later recounted the episode in court with wit and bravura well calculated to keep the courtroom in stitches.

Q. Did you call on Mr. Vanderbilt?

Fisk. I think I did. (Laughter.)

Q. Do you know that you did?

Fisk. Most undoubtedly. (Laughter.) The recollection thereof is vivid and the memory green. (Laughter.)

Q. What passed at the interview between you and Commodore Vanderbilt?

Fisk. Well, the Commodore received me with the most distinguished courtesy, and overwhelmed me with a perfect ambulance of good wishes for my health. When we sat down and got fairly quiet, we came plump up to the matter that was uppermost, and then we had it out. . . . He told me that several of the directors were trying to make a trade with him, and he would like to know who was the best man to trade with. "Why," said I, "if the trade is a good, honest one, you'd better trade with me." (Laughter.) Then he said that old man Drew was no better than a batter pudding (laughter), or words to that effect; that Eldridge was demoralized, and that our concern was without head or tail. (Laughter.) This wasn't overly complimentary; but, after thinking a minute, I said I thought so, too. (Laughter, in which the court was forced to join.) Then he became very earnest, and said he had got his bloodhounds on us, and would pursue us until we took that damned stock off his hands—he'd be damned if he would keep it. I was grieved to hear him swear so (laughter), but being obliged to say something, I remarked quietly that I'd be damned if we'd take it back (great laughter), and that we'd sell him stock just as long as he'd stand up and take it. (Great laughter.) Well, when I made this observation, the Commodore mellowed down a little (laughter), and said he thought it would be a great deal better for us to get together and arrange this matter.⁵

According to Fisk, Vanderbilt then proposed that a deal be slipped through the Erie board, a notion that Fisk claimed to have virtuously rejected, being "dumbfounded, actually thunderstruck, to think that our directors, whom I had always esteemed as honorable men (great laughter), would have anything to do with such outrageous proceedings."⁶

Nothing was settled by this first interview between Vanderbilt and the two holdouts, so the latter were excluded from the ensuing negotiations. On the evening of July 2, Fisk and Gould had an appointment with Eldridge at the Fifth Avenue Hotel, but upon arriving failed to find him. Acting on a hunch, about 9:00 P.M. they went to the home of ex-Judge Edwards Pierrepont at 103 Fifth Avenue and asked the judge, an Erie counsel now representing Eldridge and the B, H & E, if Eldridge was there. After some hesitation, the judge said he was. Then, while Gould diverted Pierrepont in the hallway, Fisk burst into the drawing room and found Eldridge, Drew, Schell, and Work assembled there each with his attorney. Again, Fisk's account in court is a lively one:

I asked what was going on, and everybody seemed to wait for someone else to answer. (Laughter.) Being better acquainted with Drew than any of the rest of them, though perhaps having less confidence in him (laughter), I asked him what under heavens was up. He said

they were arranging the suits. I told him they ought to adopt a very different manner of doing it than being there in the night—that no settlement could be made without requiring the money of the Corporation. He begun to picture his miseries to me, told me how he had suffered during his pilgrimage, saying he was worn and thrown away from his family, and wanted to settle matters up; that he had done everything he could, and saw no other way out either for himself or the Company. I told him I guessed he was more particular about himself than the Company, and he said, well, he was (laughter); that he was an old man and wanted to get out of the fight and his troubles; that he was much older in such affairs than we were—I was very glad to hear him say that (laughter)—and that it was no uncommon thing for great corporations to make arrangements of this sort. I told him if that was the case I thought our state prison ought to be enlarged. (Laughter.)⁷

Taking Fisk apart, Eldridge told him that the two sides were on the verge of a settlement, and that if he and Gould consented, the company would be free of litigation at last. Judge Pierrepont and the other counsel likewise strongly advised a settlement. After much argument, toward midnight Gould finally yielded. According to Fisk, Drew then came to him with tears in his eyes (Drew later denied it) and asked him to consent, and he consented, whereupon he and Gould signed whatever papers were handed them, after which they left in disgust.

What Fisk and Gould had signed were secret agreements to end the litigation, to recompense Schell and Work for their losses in Erie, and to pay a \$25,000 fee to their lawyer. As a result, the various lawsuits initiated by the Vanderbilt camp were formally dropped the next day. There still remained, however, the little matter of pacifying the Commodore. Fisk and Gould took the charge in hand. Eager to oust Uncle Daniel once and for all, they had no intention of letting him arm himself to get back in. Vanderbilt had 100,000 shares he wanted to be rid of and he demanded compensation for his losses in the pool, the large amount of which he blamed on the "skunks" who had deserted him. Finally they agreed to take 50,000 shares at 70, to give him 625 guaranteed B, H & E bonds worth half a million, and to pay him a million-dollar bonus for his losses. In addition, he was to have two seats on the Erie board and give Erie a sixty-day call on the 50,000 shares he retained. "Boys," said Vanderbilt, when the terms had been agreed upon, "you are young, and if you carry out this settlement there will be peace and harmony between the roads."⁸

On July 10, while Vanderbilt awaited the results in his office, the Erie board met to vote on the settlement. Drew presented his accounts as

treasurer, which were duly accepted and approved. He then submitted a written statement whereby, "for the sake of peace and quiet, at my advanced period of life,"⁹ he offered to pay the company \$540,000 in cash and to release it from repaying his loan of 1866, if the company would relinquish to him the stock he had received as collateral and release him from all claims involved in the seven different actions in which he had recently been named a defendant. He then resigned as treasurer and director and left the room, following which Gould was elected treasurer and Drew's proposal was formally accepted. After fifteen years, Uncle Daniel was out of Erie.

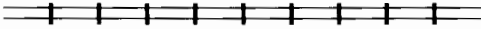
With Drew's accounts settled, President Eldridge submitted his report to the board, announcing the sums to be paid to Vanderbilt and his allies. Included in this remarkable document were two other items of note. First, the Erie company was to purchase outright of the Boston, Hartford and Erie Railroad 5,000 of its bonds for \$4 million—one of the most financially unsound commitments imaginable, but necessary to give the Eldridge clique its slice of the pie. Second, the Erie was to pay \$150,000 to its court-appointed nonreceiving receiver, who was now City Chamberlain Peter B. Sweeny, a payment without the slightest justification except that Sweeny was a powerful Tammany politician and a friend of Barnard, who ordered it. The board approved the president's report.

The cost of the settlement, then, was 50,000 shares of Erie bought from Vanderbilt at 70 costing \$3.5 million; compensation to Vanderbilt for losses costing \$1 million; compensation to Schell and Work for losses totaling \$429,250; fees to Schell and Work's lawyer totaling \$25,000; 5,000 B, H & E bonds at \$800 each amounting to \$4 million; and a payment to Receiver Sweeny of \$150,000. The total was \$9,104,250 plus sundry other debits. On the credit side stood only the \$540,000 paid by Drew. Where were these \$9 million to come from? Obviously, they would have to come from the treasury of the Erie Railway. So the more than \$7 million realized from the controversial bond sale, plus other funds as well, went not to complete and operate the road—the lamentable condition of which had been dramatized by the Carr's Rock catastrophe—but to compensate stock market operators, attorneys, and politicians. By the provisions of the Erie bill passed in Albany, every director who approved this diversion of funds was liable for from two to five years' imprisonment. Although the terms of the settlement later came to light, no prosecution ever resulted.

The Erie settlement seemingly provided for everyone except Fisk and Gould. On July 30, 1868, however, Eldridge resigned as president of Erie and subsequently withdrew to his native New England, there to further promote his ten-times-mortgaged, ever projected, never com-

pleted railroad. Since Gould succeeded him as president, he and Fisk got the Erie, a bedraggled goose from which they still hoped to coax some golden eggs. With them in charge, Vanderbilt soon quietly unloaded his Erie stock on the market, nor did his two representatives ever assume their seats on the board. Having now lost one or two million dollars in Erie, he was heard to say, amid vibrant oaths, that he would "never have anything more to do with them blowers."¹⁰ Nor did he, insofar as the decision rested with him.

So ended the Great Erie Railway Row of 1868, whereby the public had come to detect in Wall Street, railroads, courts, and legislatures the same rich taint of corruption. One matter remained: the injured dignity of Justice Barnard had finally to be satisfied. On June 30 he declared directors Eldridge, Thompson, Lane, Davis, Diven, and Skidmore guilty of mere technical contempt, for which he fined each of them ten dollars, while reserving judgment on the ever absent Fisk, Gould, and Drew. On July 25 Fisk and Gould appeared in court to be fined ten dollars each plus a clerk's fee of twelve and one-half cents. As for Uncle Daniel, there is no record of his ever having appeared, although in the opinion of Charles Francis Adams, writing in the *American Law Review* of October 1868, "Drew was guilty of as flagrant contempt of court, both directly and indirectly, as was ever committed." The Erie litigation absorbed the talents of at least thirty lawyers, among them the nation's most eminent, and a prodigious expenditure of time, money, red tape, and paper. Concluded Adams, "Not even a fly had been crushed."¹¹



The Greenback Lockup

During the summer of 1868 the Commodore and the Old Bear rested from the strain of battle. Following his habit of over twenty years, Vanderbilt, to escape the July and August heat in the city, went off to Saratoga to drink and play whist with his business friends, drive his fast trotters, and take in the races at the track. In August he was called back suddenly by the death of his wife Sophia, who had remained in the city. Married to him for nearly fifty-five years, Sophia had been worn out by childbearing and by the abrasive adventure of being helpmate to Cornelius Vanderbilt. Baffled by his expanding ambitions, she would have been quite content as the wife of a small-time shipowner on Staten Island; only now, through death, did she escape the enigma of his aspirations, the tyranny of his will.

Drew made use of his recovered leisure to attend a seminary board meeting at Madison on June 24, where at long last he deeded to the school one hundred acres of grounds and the buildings and delivered his bond for the promised endowment of \$250,000, in thanks for which he received no less than nine congratulatory addresses from the board. No one seems to have quibbled at his failure to hand over the endowment in cash. Since the endowment was to be invested in interest-bearing securities, the trustees doubtless thought it appropriate to leave its investment to Brother Drew himself, whose grasp of financial matters was far more acute than their own. Thereafter, each year they would receive from him \$17,500, representing 7 percent on their capital, which paid the professors' salaries and the other current expenses of the school.

These matters seen to, later in the summer Drew returned to Put-

nam County, where he deeded some land to his daughter, and on the farms now owned by his son found a sight to gladden his old drover's heart: fat bullocks sure to win top prizes at the county fair in September, including a pair of steers with an astonishing combined weight of 7,000 pounds that already were the talk of the township. Of course folks knew where Bill got the knack for it!

Meanwhile Fisk and Gould were far too busy to take any extended vacation. Gould had succeeded Drew as treasurer and Eldridge as president, while Fisk had become comptroller of accounts. They now dominated the executive committee and by not calling any board meetings prior to the October election ruled Erie without interference. Significantly, on July 30 they welcomed to the board the Hon. William Marcy Tweed, state senator and boss of Tammany. Henceforth, since Tammany controlled several judges, the Erie directors would not be running from the law but with it.

The first problem facing Fisk and Gould, with Erie's coffers empty, was how to raise a large amount of cash. Their solution was to sell the 50,000 shares repurchased from Vanderbilt, which they disposed of on the market in small amounts daily during July, while they circulated bullish rumors that kept the price near 70, a notable bit of market finesse. Yet one former bull refused to be duped: Vanderbilt, seeing Fisk and Gould in charge, liquidated his holdings. As for Drew, in early August he staged a surprise bear raid on the stock, then sold for a quick profit. Some Wall Streeters thought that he would now knock the stock down still further in order to buy large amounts of it and influence the coming election. Uncle Daniel's taste for peace and quiet, it seemed, had quickly evaporated.

But Erie's new masters had other plans. If it puzzled some observers that men who were out to control the October election were selling stock instead of buying it, an explanation was soon forthcoming. On August 19 the Erie transfer books were suddenly closed a full sixty days prior to the election, instead of only thirty days as prescribed by the company's by-laws. Clearly, the present managers were highly satisfied with the current disposition of the stock, little of which was held by Drew, whereas a lot of it, although sold by Fisk and Gould, was still registered in the name of their brokerage houses. Although they owned little of the stock, two months in advance of the election Fisk and Gould had determined its results. On October 13 their uncontested ticket won unanimously, and the Tammany alliance was confirmed by the formal election to the board of Boss Tweed and City Chamberlain Peter B. Sweeny.

The Erie election cleared the air a bit between Erie's new managers and Drew. Already, in late August, Drew's Erie Railway Steamboat Company and the railroad agreed to cancel their contract for connecting ser-

vices, and Drew sold Erie his seven propellor-driven Lake Erie steamboats for \$300,000 in promissory notes, thus severing his last business connection with the railroad. With their venerable colleague now out of Erie once and for all, Fisk and Gould quietly broached to him another little venture of their own, in which his millions could be put to good use. For Gould (surely the idea was his, it savors of his daring) had sinister designs upon that delicate behemoth, the United States economy.

Toward the third week in October, stocks were unsettled because of rumors of a new convertible bond issue by Erie, whose shares were now selling below 50, and because of fears of tight money. In New York, money was usually scarce in October because the banks of the South and the West called their deposits home to finance grain and cotton dealers' purchases of the new crops then being harvested. And this October money was even scarcer than usual because the Treasury Department, wishing to reduce the flood of paper money unleashed during the war, was selling gold in order to soak up vast amounts of it. So the financial markets of New York were especially vulnerable when suddenly they were jolted by disturbing rumors of what Wall Street dreaded most: a lockup of greenbacks. The "unprincipled stockjobbers" whom the *Herald* denounced as responsible were soon identified as the triumvirate in control of Erie—Gould, Fisk, and their fellow director Frederick A. Lane—and Daniel Drew.

A lockup of greenbacks had been tried a number of times in the past—by Drew, among others—sometimes with considerable short-term success. Since perhaps half the resources of the national banks of New York were regularly loaned out to stock and gold speculators, the prices on those markets were immediately sensitive to sudden changes in the supply of money. Consequently market operators, by suddenly making heavy withdrawals of greenbacks from the banks, could contract the money in circulation, making interest rates soar and causing the banks to call in loans, so that brokers and speculators had to dump heavy holdings on the market, depressing prices to the point where the operators, having sold short, could make a killing in the Street. Such operations incurred moral censure, but they were not illegal.

Assisting market operators in these exercises was the banks' liberal issuing of certified checks. Such checks were signed by a bank's cashier, guaranteeing that the check writer had ample funds on deposit to cover it. If these checks were withheld by the depositors, the banks were obliged to retain in their vaults sufficient sums to cover them. This money was thus withdrawn from circulation or "locked up." And if another bank's officers were in collusion with the operators, so that they made loans to them on these very same certified checks, the lockup could be even more severe. In the previous spring the Erie conspirators

had withheld certified checks in order to lock up \$7 million for three days and thus put further pressure on Vanderbilt, at the trivial cost to themselves of denunciations from the press and the Street.

Compared to what Gould now had in mind, however, that earlier lockup had been a schoolboy's exercise; it was time for a masterwork in panic. When Gould and Fisk broached the plan to him, Drew was impressed. Promising the pool \$4 million, he immediately put in one, then joined them in shorting Erie heavily. As tight-money artists and panic makers, his young colleagues showed signs of genius.

The lockup was launched on October 20, when Gould's brokerage house obtained a large loan from one bank on collateral, then deposited these funds in three other banks, drew certified checks on the funds, and so withdrew from circulation about ten million dollars of greenbacks. Over the next few days more greenbacks were locked up; money rates rose from 7 to 12 percent; and certain bank managers, notably those of the Bank of the Commonwealth, where Gould's brokerage firm did its banking, fell under the suspicion of collusion. A storm of condemnation assailed the conspirators, who endured it with stoic dignity even as the U.S. Treasury, cleaving to the principle that speculator-induced crises were no concern of the government, continued to sell gold daily and thus abetted the lockup.

Accompanying the turmoil in the money market was the turmoil in Erie, whose depressed price caught the eye of purchasers in England. Unlike their American counterparts, English investors still believed in Erie as a vital link between New York and the West and therefore snapped it up at "bargain" prices. This buying panic now reached enormous proportions, as the price sagged to 43, then to 40. Meanwhile, reports persisted of fresh Erie certificates on the Street. As the rumors redoubled, on October 26 a three-man deputation from the Stock Exchange called on President Gould and asked him for clarification. Yes, he stated, since the settlement with Vanderbilt in July, the company—for the most legitimate reasons—had issued \$10 million in convertible bonds, of which half had already been converted into stock and the other half would be soon. Should the company lay a third rail, he added, it would have to raise another \$3 million by a further conversion of bonds into stock.

This quiet admission exploded like a bombshell on Wall Street. On top of the outrage of last March, another 100,000 shares of stock would be issued! Yet the quiet-voiced Gould had not even stated the half of it: in just four months his creative management had increased Erie's stock by not \$10 million but \$23 million. No wonder he and Fisk had consistently not bought Erie but sold it in the market!

Understatement though it was, the good round sum of \$10 million

was quite enough to stagger the Stock Exchange. Erie broke below 40 for the first time in over six years, as sell orders poured in by cable from London, where recent buyers were now stampeding to sell. As the lockup continued, other stocks weakened as well, trade was hampered, government bonds and commodities declined, and failures were feared. In all, some twelve to fifteen million dollars of greenbacks had now been withdrawn from circulation, but the banks dared not call in their loans, lest brokers dump stocks and precipitate a panic. The entire business community was shaken and demoralized.

And so was Daniel Drew. Although he had always considered a little panic now and then good for business—*his* business—this was something different. With everything headed for a smash, Uncle Daniel was “skeered” and wanted out. Just at this point the speculator Henry Keep, threatened with ruin by the decline in his own pet stock, Northwestern, came to Drew and pleaded for a loan of \$2 million, offering to pay a steep rate of interest. The Old Bear reflected that this was money in the bank, without the risks of the lockup. So he held back the additional \$3 million he had promised, took his profits in the market, unlocked his \$1 million, and gave Keep the loan he asked for.

Gould and Fisk were furious. Because they needed his money, they had included Drew in their scheme in spite of his betrayal last spring. Now he had betrayed them again; they vowed revenge.

Meanwhile the stringency continued unrelieved, till on November 6 many brokers unloaded stocks for cash, inducing a four-hour panic on the market that caused a reputable house in Broad Street to fail. Only at this point, with a general collapse clearly threatening, did Secretary of the Treasury Hugh McCulloch deign to notice the strife. On November 7, just four days after Ulysses S. Grant had been elected president of the United States, McCulloch announced that, if necessary, he would reissue \$50 million of greenbacks to relieve the stringency, whereupon loan rates fell again to 7 percent. Yet stocks still declined and the crisis was far from resolved.

This unsettled state of things—alarms, rumors, failures, and an impending panic—was meat to Daniel Drew. The whole market was shaky and Erie, with just a bit of a push, would plummet; he yearned to be in on the kill. And so, no sooner out of the market, he jumped back in. Over a period of days, while Erie was wavering in the upper thirties, he shorted it to the amount of 30,000 shares and sold calls for 40,000 more. He was planning to snatch a fortune from the bust.

For several days Erie declined slowly in the market, battered by the short sales of Drew and certain others, and above all by the heavy unloading of disillusioned English investors, who knew now what their “bargain” was worth. Then, on Friday November 13, panicky selling

swept the market, plunging Erie to 35, which was just half of its price four months before. That evening, Uncle Daniel went to bed gloating.

On Saturday November 14 Erie opened on the Stock Exchange at 36 $\frac{5}{8}$ and traded thereabouts until the exchange closed for the day at 1:00 P.M. Shortly thereafter, Wall Street was suddenly inundated with greenbacks that, after a lockup of twenty-five days, came pouring back into circulation, greedy for gold and Erie. Gold surged on the Gold Exchange, while in frenzied trading in the Long Room and outside on the street the price of Erie soared to 52 $\frac{1}{4}$, a recovery of close to seventeen points in one day! Brokers and traders were stunned, while the not so Merry Old Gentleman of Wall Street, short 70,000 Erie at an average price of 37, knew that he was trapped.

"However questionable these schemes may be," confessed the *Herald* a few days later, "their skill and success exhibit Napoleonic genius on the part of those who conceived them."¹ The genius was of course Gould who, having masterminded the money lockup, deemed the time ripe for a reversal of strategy and so engineered a corner in Erie. He and Fisk, noting the huge short interest in the stock, calculated that but little Erie remained on this side of the Atlantic and so covered their short contracts, unlocked their millions, and used them at once to corner Erie, hoping in the process to catch Drew and strip him of a fortune. At the same time they bought some six or eight million dollars of gold, convulsing that market as well until short sellers were paying as much as 1 percent a day to borrow gold. In switching from the bear to the bull side of the market, Gould had turned on a dime and launched two corners simultaneously. In committing deft financial mayhem with sangfroid, he had no peer.

That evening the dazed victims of these lightning maneuvers held an emergency meeting at the Fifth Avenue residence of Judge Edwards Pierpont, whose hospitable parlor had housed the secret Erie negotiations during the previous July. Caught in the same net now were a curious assortment of fish, including Drew, the ex-partner of their common antagonists; Erie directors Henry Thompson and Frederick A. Lane, who like Drew had deserted Fisk and Gould and got caught on the bear side of the market; Frank Work and Richard Schell, who in taking another bite out of Erie found themselves bitten yet again; and the reputable German-born banker August Belmont, representing a host of English shareholders who, having been panicked into selling, had sold stock borrowed through their New York agents and so were technically short of the market pending the arrival of their certificates by ship in New York. Belmont, the American representative of the Rothschilds, must have been ill at ease in this carnival of thieves; whereas the others were simply out to save their own skins, he felt genuinely aggrieved for his customers.

All those at the meeting were desperate for Erie stock, and Erie stock was in fact on the way. From 50,000 to 200,000 shares sold by Belmont's customers were New York-bound on a ship due to arrive on the twenty-third. What was needed in the meantime, then, was legal action that would expose Gould's fraudulent management and persuade the courts to name an Erie receiver—a legal action that might also collapse Erie's price in the market. Such was the solution proposed by Work and Schell, with Drew in agreement. A complaint that had already been prepared was read now to the gathering, and Schell, with an eye to public opinion, persuaded the respectable Belmont to bring the suit in Belmont's name, while the others would remain in the background, with Work and Schell paying half the legal costs and Drew the other half. Only one more thing was required—an affidavit from Drew recounting the infamy of Erie, since nothing could be so detailed and damning as the confessions of an ex-insider. For Uncle Daniel this was a bit awkward, but in desperation he agreed. By the time the meeting broke up, the new allies felt vastly reassured. They planned to strike their blow the first thing Monday morning.

One fatal flaw marred the strategy of the cornered shorts: it hinged on Daniel Drew. No sooner had Drew agreed to the affidavit than he had second thoughts. To help the other shorts, he was about to smirch his own good name. Was there no other solution? He decided to try the personal appeal, which had worked well and often with Vanderbilt. And so, on the following Sabbath morning, instead of going to church he went to the Erie offices in West Street, where he found both Fisk and Gould. What then happened is told in detail through an affidavit sworn to by Fisk three days later and corroborated by Gould; Drew never either confirmed or contradicted it. Said Fisk:

On Sunday morning, Nov. 15, 1868, Mr. Daniel Drew unexpectedly called upon me. He said he had come to make a clean breast of it, and to throw himself upon our mercy, that he was short of Erie stock 30,000 shares. I told him I knew that, and that was not half of it, for he was short in addition 40,000 calls. He complained bitterly of his position. He then entered into an explanation as to certain proceedings that he said were being got up by parties who were to attack us in the courts. He said he had been in the enemy's camp, and all that he cared about was to look out for number one, and if we were willing to help him he would make a clean breast of it. I told him that his disposition and his nature were so vacillating that I should not trust him, unless he made a clean breast of it to begin with. He finally, after much hesitation, said he would tell me. He said that Work, Schell, Lane, and Thompson were embarked in a

scheme with him. He refused to tell me in whose name the proceedings were to be instituted. Upon inquiring closely of him whether the case was taken up on its merits or as a mere stock operation, he admitted to me that it was to relieve those who were short of the stock. I presented the idea to him as to what the others would do, and he said that he could take the ringleaders with him if they were also provided for, and he would break up the whole scheme.

He begged and entreated me that I should go and bring Mr. Gould, saying that he knew if he could see Mr. Gould he could benefit his position, and would tell us who were to be the plaintiffs in the suit. I tried to convince him that this was one of his old tricks, and that he was the last man who should whine at any position he had put himself in with regard to the Erie. Finally I consented to go and get Mr. Gould, and did so. I was not present at the entire interview between Mr. Gould and Mr. Drew, but such portion of the conversation as I heard was of the same nature that Mr. Drew held with me. Also, he urged many arguments upon Mr. Gould and myself to induce us to help him with regard to the stock. He stated to us that it was within our power to protect ourselves, and urged us to issue more convertible bonds, saying no one could know anything about it; this Mr. Gould and I declined to accede to.

At this time he told us that a suit was to be brought in the name of August Belmont; that he was present at a meeting they had last night, and heard the papers read. We told him over and over again that we could not help him. He would not leave us, but insisted on remaining, and Mr. Gould and myself, unable to get rid of him in any other way, told him that we would meet him again at 10 o'clock that evening. We then parted.

Subsequently, about 11 o'clock, I found Mr. Drew waiting for us. At that time Mr. Gould was not present, and I again told Mr. Drew nothing could be done. He said:

"Then if you put this stock up I am a ruined man!"

He harped upon the fact that he was willing to pay a large amount of money for the use of 30,000 or 40,000 shares of stock for fifteen days, and offered me as high as three per cent., which would amount to nearly \$100,000, for the use of it for fifteen days. Finding he could not induce me to accede to his wishes, he took another tack, saying there was a conspiracy against us, and they would ruin us if they could, and that they would have the stock down at all hazards; and that if I would not agree to anything with him, he would give his affidavit to the other side, having before this stated he would not give his affidavit if I came to his rescue. He said:

"You know during the whole of our other fights I objected to ever

giving my affidavit, but I swear I will do you all the harm I can do you if you do not help me in this time of my great need!"

He also said: "You can loan me the stock," and repeating, "I will give you three per cent. for it. You have the power to issue more convertible bonds, and I will buy the bonds from you if you are caught, or I will buy the bonds of you with the understanding that I shall not pay for them unless you are caught."

I positively and unequivocally declined his proposition, as I had on each occasion. After talking in this strain for more than an hour, I adhering to my decision that nothing could be done, he, at about 1 o'clock Monday morning, said, "I will bid you good-night" and went away.²

Even taking into account Fisk's self-interest in relating the story, one is inclined to give full credit to this unique spectacle of the Old Bear at bay, profuse with treachery, sly, abject, cynical, pleading into the middle of the night, the whole scene replete with grim humor and irony that cannot have escaped his tormentors, and capped fittingly by the terse pathos of the old man's departure: "I will bid you good-night." One agrees with Charles Francis Adams, who thought the episode worthy of Dickens yet surpassing him. Fiction would be hard put to match it.

August Belmont's lawyers had no knowledge of this incident when they initiated proceedings Monday morning before Judge Josiah Sutherland, a reputable Supreme Court justice. Brought in the name of Belmont and his Wall Street partner Ernest B. Lucke, the complaint charged Gould, Fisk, and Lane with conniving to get control of the company, with issuing \$26 million of illegal stock, and with misappropriating Erie funds for the lockup of greenbacks and other speculations and abuses. The petitioners asked the court to enjoin the defendants from any further acts as directors and to appoint a receiver.

Accompanying this complaint was the affidavit of Daniel Drew, including details about Erie's earlier issue of \$10 million of convertible bonds; equally choice details about the secret Erie settlement with Vanderbilt; plus the added admission of his complicity in the recent lockup of greenbacks—an amazing self-indictment, formally sworn to, that gave the public its first solid knowledge of Erie's settlement with Vanderbilt, and discredited Drew all the more in that the motivation behind his confession was obviously cupidity, spite, and revenge.

In the face of such evidence, Judge Sutherland promptly issued an injunction restraining Gould and the other defendants from any further acts as directors. When word of this hit the Street, it perturbed both the gold and stock markets, causing Erie to fluctuate wildly before closing at 54. On the following day, Tuesday November 17, the gold corner col-

lapsed when the U.S. Treasury resumed gold sales on government account. But Erie, still cornered, churned in the market, as the text of Belmont's complaint and Drew's affidavit became available to the public, prompting rumors that Gould and Fisk had decamped once again for New Jersey.

Nothing could have been further from the truth. On Wednesday the eighteenth came startling news that August Belmont's lawsuit had been forestalled by a prior legal action, that the enjoinders had been enjoined, that Erie could not receive a receiver because it already had one formally appointed by the court, and that the receiver's name was Jay Gould. Total confusion engulfed the Belmont party, Drew, Wall Street, the courts, and the press—just about everyone, in fact, but Gould and his associates, who had inflicted a stunning defeat on their foes.

Drew's Sabbath visit was surely responsible, since it had forewarned Gould. On Monday morning, November 16, only a few hours before the Belmont suit was initiated before Judge Sutherland, attorneys for Charles McIntosh, an Erie ferry agent and presumed stockholder, had appeared before Supreme Court Justice Barnard, no doubt catching that elegant magistrate either in bed or at breakfast. The petition presented in McIntosh's name declared that various persons had threatened to bring suit against the Erie Railway Company in order to depress the company's stock for purposes of speculation, to prevent which McIntosh, acting on behalf of all stockholders, asked to have such persons restrained from such actions, and to have a receiver appointed. After due consideration by Barnard—probably about one minute—an injunction was issued restraining all parties from bringing such suits against Erie or otherwise interfering with the actions of its officers, and naming Gould as the company's receiver, with full charge and custody of its funds.

In so doing, Barnard had more than maintained his reputation as one of the state's most exceptional justices, first, because he had received a petition that should have been directed to Judge Sutherland, and second, because his view of this new overissue of stock differed so markedly from his view of the overissue of the previous spring, which he had referred to as "counterfeit money." As a Tammany judge, Barnard was well aware of Boss Tweed's alliance with Erie, thanks to which the Erie managers felt no need to revisit the wilds of New Jersey.

When news of Barnard's injunction reached Wall Street in the early afternoon of Wednesday November 18, its immediate import was clear. There would be litigation—weeks, months of it—so that the Belmont suit could be of no immediate help to the bears. Consequently, Drew and his fellow victims rushed to cover their shorts as the bulls, competing for whatever Erie came into the Street, drove the stock up from 49 to 57½. On Thursday the nineteenth, even as the city was reading Fisk's

sworn affidavit in the papers—his riposte to Drew, recounting the Old Bear's ordeal of the preceding Sunday—Uncle Daniel, his reputation shredded, was still bidding frantically for Erie, of which small amounts remained on the Street. Then came news that the obliging Barnard had granted receiver Gould authority to use Erie's treasury to repurchase and cancel 200,000 of the controversial new shares of Erie at any price below par, which was a marvelous help to the bulls. Against such weapons the bears were defenseless. Uncle Daniel would be bled of millions; only a miracle could save him.

And a miracle occurred. Suddenly, close to 2:00 P.M., with the stock hovering at 60 and the corner all but consummated, Wall Street was flooded with Erie. Out of the desk drawers, cash boxes, and safes of the small bankers, cigar vendors, tailors, and grocers of the city came an avalanche of ten-share certificates that by the clique's calculations were supposed to be in London but were not. These ten-share certificates, having never left home, were now brandished by a host of small investors who, long victimized by Wall Street, rushed to their brokers in order to capitalize on the high cash price of the stock. As the certificates poured in by the thousands, the Erie clique was obliged to bid for them frantically in order to deny them to Drew. This they had almost achieved when suddenly, alarmed by the amount of checks pouring in to be certified, their bank declined to certify more—a disaster, since the sellers were insisting on certified checks. Within five minutes Gould and his friends arranged to have their checks certified at another bank, but in that brief space of time Drew managed to cover his contracts at 57. At a cost, he had defeated the corner. Shortly thereafter, Erie collapsed to 42 in quiet trading.

As the dust settled, Drew could reckon his losses at about \$1.4 million plus brokerage fees, which was hardly a victory, but not the total disaster that the Erie clique had hoped to inflict on him. Gould and Fisk, on the other hand, had been obliged to swallow vast quantities of Erie offered unexpectedly at high prices, plus further quantities about to arrive from England by ship, stock for which there was no market, since everyone was wary of it and Uncle Daniel talked it down further. As a result, the Erie kings were left sitting on their sheaves of certificates, with losses that some estimated as high as \$3 million. If anyone had profits, for once it was the lucky outsiders on both sides of the ocean, although many of them, in selling, may simply have been cutting their losses.

The conspirators were denounced on every side, their critics feasting on the rich particulars provided in affidavits by the parties themselves. Preaching at his famous Plymouth Church in Brooklyn, the Rev. Henry Ward Beecher called Wall Street "the very sink of iniquity, the hot bed

of corruption, and the magnet of ruin and desolation.”³ Meanwhile a petition to ban trading in Erie was gathering hosts of signatures at the Stock Exchange, while the press, suspicious of the state courts, appealed to the federal government for justice.

To those who had followed the earlier litigation in Erie, it was not surprising that the new round of Erie proceedings proved lengthy, costly, and futile, though not futile for Gould and Fisk. Newspaper readers avid of entertainment could read thereafter how Judge Sutherland had vacated Judge Barnard's order naming Gould receiver and had appointed a receiver of his own, who upon seeking access to Erie's halls was barred by a platoon of hired thugs; how the lords of Erie brought suit against Belmont, Lucke, Schell, Drew, and Work, alleging a conspiracy to manipulate Erie in the market; how they petitioned the U.S. District Court and got Gould named again as receiver; how more judges were drawn into the imbroglio, naming more receivers, vacating more orders, and reversing one another's actions; how on December 7 the Erie managers brought suit against Drew, alleging that as president of the Erie Railway Steamboat Company he had defrauded Erie; how on December 10 they brought suit against Vanderbilt to make him repay Erie the \$4.5 million he had received in the Erie settlement in July; and how the whole ludicrous mishmash of actions fell at last into the judicial lap of Supreme Court Justice Albert Cardozo, another Tammany stalwart, who announced his decision, filling 110 pages of foolscap, on February 19, 1869. He decided that there were no grounds for appointing a receiver for Erie and that railroad directors were entitled to issue convertible bonds and convert them into stock at their pleasure, all of which brought things back to where they had been in the first place. Thereafter Gould and Fisk honored Justice Barnard by blazoning his name upon a new Erie locomotive in flaming gold. The litigation ultimately proved that Gould was cleverer than anyone and that the justices of the state and federal courts of New York were either naive, clumsy, stupid, or corrupt, bent as they seemed to be on confirming the judgment of Dickens's Mr. Bumble, to the effect that “the law is a ass.”

For Uncle Daniel, 1868 had been the most eventful year of his life. It was the most controversial also and certainly the least consistent. He had betrayed the Vanderbilt camp by going short of Erie, and the Erie camp by treating with Vanderbilt; then the Erie camp by withdrawing from the lockup, and the Belmont camp by treating with the Erie camp. Worse still, this had all come to light. As a result, while editorialists denounced his recent confederates as scoundrels, they taxed him as a hypocrite as well.

“To such a disgusting degree of depravity do we see these stock operations carried,” said the *Herald*, “that members of the church of high

standing offer, when 'cornered,' to betray their brother 'pals,' and, in their forgetfulness of the morality to which they sanctimoniously listen every Sunday, state that 'all they care about is to look out for number one.'" Accordingly, the *Herald* proposed a new and more exact translation of the Bible in a special Wall Street edition, for the benefit of stock gamblers and thieves. It began: "1. Steal largely or not at all: for is it not preached in Gotham that he who steals largely and gives donations to the church shall enter the kingdom of heaven, while to him who confines his stealings to modest peculations shall be opened the doors of Sing Sing? 2. Steal largely! for in proportion to the magnitude of thy stealings shalt thou prosper and wax respectable throughout Gotham."⁴

For a long while Uncle Daniel was out of the market; it was definitely time to hunker down.

Respite and Return

On May 19, 1869, with son and grandson present, Daniel Drew presided over the annual board meeting of the seminary at Madison, heard the yearly reports, was reelected president, and became a member of the school's finance committee. How pleasant it was, in this bucolic atmosphere, to be greeted with courtesy and esteem. Certainly the founder hoped that this recovered image of solid elderly citizen and philanthropist would efface the recent one of stockjobbing opportunist and gambler. "Stop speckerlatin'—don't tech Ayrie with no margin!"¹ he advised some Methodist brethren who, inspired by his own late example, had taken "points" and lost their margin in the market. This advice he himself followed as for two years, whether out of prudence and chagrin or from an access of piety, he remained a stranger to Wall Street.

For the Methodists, however, the revelations of his stockjobbing, some of them even from his own hand, must have been a grievous burden. The matter was not mentioned in public, but privately they had to acknowledge that Brother Drew was tied too much to money. Yet was he not the whitest in the black company of Wall Street? If he got money by questionable means, at least he found the noblest uses for it. And how often had they heard him at prayer meetings, his face streaked with tears, avow that he had served Mammon and forgotten God! What could they say to this anguished penitent whose sins were like a knife in his vitals, and whose money they needed? In the quiet of their hearts, they prayed for him.

Much of the summer of 1869 Drew spent on his farm in Carmel. When railroad fever hit the region because something called the New

York and Boston Railroad proposed to pass through the village of Carmel and so end its rustic isolation forever, Drew attended the town meeting in August to hear the promoters talk up their scheme, and thereafter he offered the road free transit across any of his lands. Meanwhile he was also giving close attention to the cattle on his farms, spurred on no doubt by his son Bill's success at the last county fair, nicely climaxed when Bill's two fattest steers appeared in New York City in February 1869 and the butcher who had bought them christened them "Commodore Vanderbilt" and "Daniel Drew" and paraded them through the streets in ribbons. At the fair of September 1869 the old man got the ten-dollar discretionary award for the best ten fat heifers, while his son and son-in-law got other cattle awards, his son's wife took half the flower prizes, and his grandson presided over the whole affair as president of the Agricultural Society.

But if Uncle Daniel had left Wall Street, Wall Street clung to him through exposé and litigation. How did it sit with his family, when he was summoned to testify before a state senate committee investigating charges of bribery relating to the Erie bill (of which bribery he pleaded total ignorance), and articles in *Fraser's Magazine* and the *North American Review* decried his Wall Street doings without any of the uneasy awe that they accorded Vanderbilt? His wife, to judge by her portrait, was a strong, stern woman whose mannish features and direct gaze bespoke character devoid of humor or grace. Not the easiest helpmate to go home to, one might think, yet when exiled in Jersey City Uncle Daniel yearned to do just that. For decades Roxanna, being wholly domestic, had given him the creaturely comforts of the hearth. Of his financial escapades, she probably grasped very little. His occasional absences, the coming and going of messengers, the sudden mysterious conferences with strangers in the downstairs parlors—all this was part of that baffling male world of business that made her husband what he was and provided her with silk dresses and a house on the square. To her, business was a consuming preoccupation from which, with luck, one reclaimed one's spouse for family dinners and holidays, formal Sabbath churchgoing, and a few precious weeks in the summer. As for her husband's reputation, he was president of the People's Line, a staunch Methodist, and the founder of a seminary. If anything else came to her ears, Daniel probably shrugged it off with a word or two: some folks would say just anything! Perhaps she nodded; it squared with her experience.

Like his mother, Bill lived at a remove from the Street and always thought of his father as honest. As for Drew's son-in-law the Reverend Clapp—a walrus-mustached moral heavyweight who was now Putnam County's most prominent minister—there is ample evidence that he walked the pastures talking "critters" with his father-in-law, but none at

all that he ever got the old man down on his knees to pray for his soul. So when trouble came, it came from a different quarter: Drew's granddaughters took him to court.

The trouble stemmed from the will of his daughter Catherine's second husband, the long-deceased Robert W. Kelley. Under the terms of Kelley's will, his estate was to be divided equally between his wife Catherine and their five daughters and to be invested by the executors in income-bearing securities. Each child was to receive half her principal at age twenty-one and the other half at thirty-one, while the executors continued to invest the accruing income on her behalf. Of the three executors, however, one died and the other declined to serve, leaving Drew in control of the estate, which he had drawn on freely in the course of his Wall Street operations.

For years, no one questioned his management. Now, however, four of the granddaughters—refined young ladies who could speak French, sing, play the piano, and sketch a bit—had come of age and three had married, their husbands being affluent young gentlemen with a fondness for fine horses, hunting, and travel, but little inclination toward wartime military service or, except for one of them, work. Obviously, the continuation of this pleasant life depended in part on the girls' inheritance. The granddaughters may have pondered this themselves, or perhaps their husbands took time off from their fast trotters and quail-shooting to glance at the financial and editorial pages. At any rate, the sisters conceived doubts about their grandfather's execution of the trust. First Kathleen, one of the two unmarried sisters, requested a settlement and got it. Then, in May 1869, Georgiana, Josephine, and Louise brought suit against their grandfather as executor and trustee.

It must have hurt Uncle Daniel to the quick. Did the girls really think that their old Granddad would violate a sacred trust? God forbid! If he had used the estate's funds in his "speckilations" rather than investing them as prescribed by the will, it was only because he could do better with the principal himself. But if they wanted security and an income, why bless them, of course they should have it. To each granddaughter he offered a bond guaranteeing that he would pay \$70,000 on demand, plus 7 percent interest in the meantime. This offer was accepted, the bonds were given, and the suit was dropped. Drew remained in control of the estate, while the granddaughters and their husbands, assured of steady income, came regularly from Putnam County to spend the winter on Union Square. In candid moments, Uncle Daniel might admit to having cut a few corners on Wall Street, but if there was anything he regarded as sacred, it was obligations to his family and church.

In his capacity as distinguished Methodist churchman and philan-

thropist, Drew now found himself drawn into closer social contact with the Commodore. In August 1869 America's foremost railroad king, then a widower of only one year, shocked his family and surprised the public by eloping to Canada with Miss Frank Crawford, an attractive thirty-year-old Southern gentlewoman to whom he was distantly related through his mother. Now established in the elegant brick mansion at 10 Washington Square, the new Mrs. Vanderbilt was determined not only to give her husband the youth and companionship he craved, while weaning him away from his clubs and card games, but also, ever so discreetly, to nudge him toward philanthropy and religion. She herself was a Methodist and among the Commodore's acquaintances must have quickly discerned the single one who, in sharp contrast to his hard-drinking, whist-playing cronies, stood out as a sterling example of Methodist beneficence and piety. However lacking in social graces, Drew was welcome in her home as a model and contributing influence toward the husband whom she hoped to remold.

Naturally, Drew was more than willing to help coax closer to the Mercy Seat this flourishing reprobate who had a settled antipathy for preachers. With great delicacy Frank Vanderbilt also managed to introduce her husband to her pastor, the Rev. Charles F. Deems, who became a frequent guest in the house and in time a good friend of the Commodore. Exercising the greatest tact, Deems, Mrs. Vanderbilt, and Drew conspired to interest the tightfisted Vanderbilt in Deems's project to establish a church of his own in the city, serving the needs of out-of-town visitors. By June 1870 they had brought the old man around. He gave Deems fifty thousand dollars with which the minister bought a vacant church in Mercer Street that he opened on October 2 of that year as the Church of the Strangers. Drew was one of the many prominent vice-presidents of its organizing committee. Thereafter, to the novelty of Cornelius Vanderbilt the founder of a church succeeded the near-miracle of Cornelius Vanderbilt a worshiper. On February 19, 1871, Drew and the Commodore appeared together in a pew in Deems's church, a sight so memorable that Deems recorded it in his private journal. To Uncle Daniel the event must have brought deep satisfaction; it was high time the old rat got religion.

Cornelius Vanderbilt's character and career were something that Drew could grasp and appreciate, but the doings of James Fisk, Jr., were quite another thing. What was Drew to think, when his one-time protégé exhibited himself to the public in a variety of exuberant guises? As Fisk the impresario he bought Pike's Opera House, refurbished it magnificently, and was now staging splashy musicals where scandalous female dancers raised their legs. As Fisk the self-styled admiral he was

operating steamboats on Long Island Sound, strutting beside the gang-plank at departure time in a gold-buttoned blue naval uniform closely resembling that of an admiral of the United States Navy. And to top it off, Admiral and Impresario Fisk had moved the offices of the Erie Railway Company out of the business district and into the Opera House, where impressionable young male clerks risked encountering immoral women in tights. There, regally ensconced in his office, Fisk also assumed the guise of Prince Erie, the gaudy railroad magnate who reveled in Erie litigation and gave ebullient interviews to the press. No matter how he looked at Fisk's career, Uncle Daniel's business sense was baffled, his morality shocked.

Yet it was Drew who was out of step with the times, while his former pupil was leading the parade. To the very tips of his ring-studded fingers, Fisk embodied the Flash Age, that glittery postwar prolongation of the wartime boom of the North: an age of shirtfront diamonds and shiny equipages, of cancan and Offenbach, champagne and "fast" women; a time when the recent war's idealism, sacrifice, and suffering gave way to fun and frolic masking desperate greed and cynical corruption; an era when paunchy, shrewd Boss Tweed routinely rigged the local elections, and conspired with contractors to milk millions from the construction of a new county courthouse; when scheming men pushed on by venal women operated at every level of government, right up to the entourage of President Ulysses S. Grant.

Uncle Daniel, to be sure, had a genius for quiet conniving, but there was no flash in him, not even a glint. He was pious, homespun, reticent, and pastor-drab in his dress. On the *Drew* once, mistaking him for a crewman, a passenger asked, "Do you belong to the boat?" "No," he answered, "the boat belongs to me."² What could he be, then, but a perplexed onlooker in this circus of glint and corruption, whose ringmaster and chief performer was a rollicking exhibitionist whom bluebloods and moralists abhorred, but whom a host of friends applauded, and the masses admired shamelessly as yet another instance of the American dream come true?

Yet to be an onlooker and not a participant had its advantages. In September 1869 Fisk and Gould, who recently had twice hosted President Grant in New York, made a desperate attempt to corner gold. This daring operation almost succeeded, until on Friday September 24—known ever afterward as Black Friday—the treasury's sudden resumption of gold sales sent the price tumbling, while bulls and bears alike went bankrupt. Pursued through the streets by ruined speculators, Fisk and Gould had to take refuge behind the barricaded doors of the Opera House. To have been aloof from such hysteria, with its prolonged aftermath of lawsuits and a congressional investigation, Drew must have thanked Providence.

Not that he was free of his past. The Erie antagonists of 1868 were like a repertory company whom circumstances called on repeatedly to perform together in somewhat altered roles. Remarkably harmonious was the full-cast performance of November 10, 1869—a bare month and a half after the Black Friday convulsion—when Drew found himself seated on a bunting-bedecked platform in Hudson Street, along with Gould, Fisk, August Belmont, Horace Greeley, assorted admirals and ex-mayors, and a host of Vanderbilt lieutenants, to witness the unveiling of the massive pediment of the new Hudson River Railroad freight depot, dominated by a four-ton bronze statue of the Commodore, flanked by bas-reliefs portraying his career on land and sea with steamships and locomotives, Neptune, a sea monster and a boiler, birds, grapes, machinery, and cows. This was the city's half-million-dollar salute to its most dynamic citizen, whom Wall Streeters now referred to as Old Eighty Millions.

Just ten days later, however, the honored subject of that masterwork appeared in court to testify in the case of the *Erie Railway Company v. Cornelius Vanderbilt*, Fisk and Gould's suit to recover the \$4.5 million given to the Commodore in the Erie settlement. Before a packed courtroom Vanderbilt insisted that he had nothing at all to do with the Erie litigation, that his dealings with Drew and Eldridge in July 1868 had been a purely private matter between them. Asked how much Erie stock he held at the time, he answered, "Them's are things I keep to myself."³ From first to last he was tight-lipped and crusty, his lies stupendous, his oblivion invincible. The *Herald* advised the Erie lawyers to give up.

Nine days later it was the turn of Uncle Daniel, summoned as an unwilling witness by the plaintiff. Here at last, subjected to the rigors of the courtroom, was Erie's longtime evil genius, the guardian of its inmost secrets. Before a thronged courtroom presided over by Justice George G. Barnard, who welcomed him with a smile, Drew testified standing up at the request of Erie's attorney David Dudley Field, so that Field could look him straight in the eye. Drew met Field's gaze with his own and testified with remarkable composure, corroborating in every respect the testimony of Vanderbilt. But like the Commodore, he revealed tracts of oblivion, abysses of ignorance. When, over a year later, Drew was back on the stand again, interrogated by Erie attorneys, he demonstrated anew that in the art of gentle forgetfulness, sweet-tempered denial, and injured innocence, Uncle Daniel had no peer. Even Justice Barnard was baffled. Discovering no fraud in the settlement, he found for the defendant; Erie would not get the Commodore's millions. Fisk and Gould promptly appealed; the case dragged on for years.

In March 1870 Daniel and Roxanna celebrated their golden wedding anniversary. They had long anticipated it, especially since Christmas Eve

of 1866, when they attended the golden wedding celebration of Thomas and Abigail Drew in Drewville. It had been the great hope of Daniel and Roxanna that, God willing, the two brothers and two sisters should be united again on the occasion of their own golden wedding.

And so they were. On the evening of Friday, March 4—the celebration was held one day early, lest it be prolonged past midnight and encroach on the Sabbath—the three spacious parlors of 41 Union Square, furnished tastefully with gilt furniture upholstered in silk, were adorned with flowers, while musicians provided soft music. Chatting amiably were family in abundance, Methodist clergymen and laity, steamboat captains, journalists, and financiers. Tactfully absent, although invited, were Messrs. Fisk and Gould, who instead sent lavish bouquets. Sitting apart on a sofa, looking hale and genial, the hosts received their guests, Roxanna wearing lavender silk and a point lace shawl, her brown hair but slightly tinged with gray. Compliments and congratulations were showered upon them, as well as costly gifts, of which the most impressive was that of the St. Paul's congregation: a silver flower stand filled with rare exotics, atop a golden urn from Tiffany's. Surrounded by four generations of family and a host of friends, Daniel was too moved to reply to the pastor's presentation. Then, after a fervent prayer, the guests partook of elegant refreshments from Delmonico's, following which they dispersed somewhat earlier than anticipated, having learned that John McClintock, the long ailing president of the seminary, had died that day at Madison.

The press was invited in force. Although saddened by the loss of his friend, Drew was able to read glowing accounts in all the papers except the *Times* the next day. One hundred and fifty guests had attended Vanderbilt's 1863 celebration; his had had three hundred.

The press accounts of the golden wedding presented Uncle Daniel as a gentleman of advanced years, surrounded by a loving family and friends and honored by his church. Certainly he had much to rejoice in: the affection of his family, a fine home, good health, an intact fortune, a prosperous steamboat line, a thriving seminary, other philanthropies, and farms in Putnam County that raised prize-winning stock—quite enough for a man of seventy-two who after a long business career could now relax serenely into the evening of life.

But if family, fortune, steamboats, good deeds, and fat cattle gave Uncle Daniel a range of satisfactions, not one of them gave him excitement. "I must have excitement," he had told his friend John Parker, "or I should die." He missed the risk and adventure of Wall Street; the sheer fun of secret combinations, of greenhorns and old hands flocking to him with offers, tips, schemes; the thrill of sending messengers racing to the exchanges with orders to buy or sell millions; the Street bleeding and

the press agog because once again the Old Man had "taken a slice out 'em." Bored by tranquillity, sick of it, he itched for action. And so, after a two-year absence, he went back to Wall Street.

One of his first ventures was not a happy one. In January 1871 he opened a joint account with another prominent operator, Stephen V. White, to trade in the stock of Rock Island (the Chicago, Rock Island and Pacific Railroad), of which they went heavily short, only to find themselves all but cornered by a bull pool led by William S. Woodward, one of the boldest traders on the Street. Then, according to one account, on the evening of June 20, 1871, Drew received a surprise visit at his home from Woodward, who, being desperate for cash to consummate his corner, offered to let Drew off his short contracts and even share his profits with him, if Drew would lend him a quarter of a million dollars. With a benign smile, Drew agreed. Vastly relieved, Woodward left. "Wanted me to give him a rope for him to hang me with," Drew remarked to another Wall Street man who, sitting in the rear parlor, had overheard the entire conversation.⁴

The following morning Woodward went to Drew's brokerage house in Wall Street but discovered that the firm knew nothing of a loan. Desperate, he waited for word from Drew, but no word came. At last he realized that he had been doubly double-crossed—by Drew, who had no intention of helping him, and by his fellow pool members, who had been secretly unloading their stock on him. Woodward announced his suspension, Rock Island plummeted, and a dozen brokerage houses that had dealings with him failed. When Drew and White closed their joint account on June 26, they shared a loss of \$102,000. But Woodward was wiped out; in time, he filed for bankruptcy.

That summer and fall Drew must have looked on with incredulity as the Erie Railway toiled in controversy and litigation under the management of Fisk and Gould. Drew himself made peace with the boys by an agreement of June 23, 1870, whereby he loaned the impoverished line \$301,000 for a year, on condition that Erie drop all legal actions against him. Safe on the sidelines, he watched in serene disbelief as Erie hit new lows in the market, and angry English stockholders ripened fresh attempts to oust Fisk and Gould, paralleling a mounting campaign by reform-minded Gothamites, incensed by revelations of fraud in the construction of the new county courthouse, to overthrow Erie's ally, Boss Tweed.

Drew saw his former colleagues only rarely now but had no trouble following the spectacular career of Fisk, who after the president was the most reported-on man in the nation. It was now common knowledge that

Josie Mansfield, having milked Fisk for tens of thousands, had thrown him over for Ned Stokes, an elegant idler who conspired with her to blackmail Fisk by threatening to publish his letters. Then, in October 1871, just as Boss Tweed was arrested for fraud, Stokes and Mansfield brought several legal actions against Fisk that promised juicy revelations in court. It was too much for Gould, the embattled president of Erie. At his urging, on December 31, 1871, Fisk resigned as Erie's vice-president. To one of Uncle Daniel's morality, it must have seemed like a judgment. Rascality was no reason to oust a man, but a fancy woman was something else again.

It was just about this time that Fisk paid his last call on Drew. Having probably come on business, he was received by his host in a parlor of the Union Square mansion. A half century later, Drew's son William still remembered Fisk departing blithely down the front stoop to whichever of his six carriages awaited him. One wonders what guise the caller had assumed for the occasion: Admiral Fisk, in a blue nautical jacket with gold buttons; Colonel Fisk of the Ninth Regiment of the New York State National Guard, with gold braid and epaulettes, and a beaked cap topped by a plume; or just Prince Erie, tophatted, in a fancy suit with a low-cut vest displaying a cherry-sized diamond. Whatever his role and attire, he came to the sedately dressed Deacon flaunting jewels and gold, the Flash Age personified, an actor to the core.

A few days later he was dead, shot mortally in a downtown hotel by the enraged Stokes, whose shaky reputation had crumbled before the onslaught of Fisk's counsel in court. On January 8, 1872, Gotham gave him a full-fledged military funeral procession with a flag-draped coffin, and six colonels and a general in attendance—a spectacle not equaled since the death of Lincoln (a comparison that some thought obscene). To be sure, the Stock Exchange refused to lower its flag to half mast, and Erie stock surged on the market, but Fisk the rogue and clown was mourned sincerely by multitudes because he had made life fun. Uncle Daniel kept a distance from the funeral, but he too would miss this glad-handing punster, all snap and gumption, whom you could not stay mad at for long. Fisk was only thirty-six when he died.

With Tweed arrested and Fisk dead, the times were changing. As further proof, on March 11, 1872, a new Erie board of directors hostile to Gould was elected, and Gould himself, after legal and physical evasions and an overnight siege in the building, was ousted from the presidency and the premises. This was of great interest to Drew who, with Gould eliminated and Erie stock surging on the market, conceived a great urge to bear it. Accordingly, he sold Bischoffsheim & Goldschmidt, an eminent London banking firm that was heavily interested in Erie, a contract to deliver 50,000 Erie at 55 before the end of the year, in a gamble in the grand style that at once became the talk of the Street.

Whether by luck or connivence Erie declined mysteriously that summer, letting Drew close out his contract in August for a profit of perhaps a third of a million. For Uncle Daniel, it was just like old times in "Ayrie."

In late June, Daniel and Roxanna went with their son and daughter-in-law to Long Branch, the fashionable coastal resort in New Jersey that had attained new popularity from the summer visits of President Grant. For a full month the Drews stayed at the Ocean House, where August Belmont and Leonard Jerome were among their fellow guests. It was not like Uncle Daniel to frequent a stylish resort. Probably his son Bill was responsible, arguing that money should be enjoyed, that if his father worked like a money king, he ought to play like a money king, too. Naturally the old man shunned the racier entertainments provided, but he and Roxanna attended a lavish masked ball at their hotel, where a large fountain bubbled with eau de cologne, and when they worshiped at the Methodist church nearby, found the president in the congregation. Meanwhile Bill was driving the finest private team at Long Branch, passing other noted trotters on the lanes. Well rested, by early August Drew had returned to the city, where he closed out his Erie contract at a profit, then left with his son and their wives for Saratoga: the Drews were living it up.

Back in New York in September, Drew found that Bischoffsheim & Goldschmidt, the new controlling power in Erie, had trapped the leading shorts in that stock: Gould and Henry N. Smith, Gould's longtime friend and partner, a dapper little man with a huge red mustache and ample red muttonchop whiskers. Delighted, the Old Bear at once became a bull, buying thousands of shares of Erie so as to squeeze the shorts all the more. On the nineteenth a *Herald* reporter found Drew in his cosy little basement back office at 51 Exchange Place and asked if he had helped corner Erie. "Well, I have a few sheers of Ayrie," said the old man, his eyes twinkling, twirling a cigar. "But I ain't in any pool nohow."⁵ Little more would he say.

Thereafter Erie stock became so scarce that at one point the trapped shorts had to pay as much as 3 percent or six hundred dollars for the use of a hundred shares for one day. Drew remonstrated with one of his brokers: "Three percent is too much. The boys can't stand it, and it ain't right, nohow. Make it about one and a half for what sheers is wanted today. It'll suit the boys better'n any higher rate, and besides, they'll pay out their money freer, and they'll last a good deal longer. There's no sense in bein' so hard on sech good boys as Jay and Henry. Make it one and a half, sonny, until you hear from me again."⁶

Gould and Smith were well aware that this canny generosity was meant to stretch out their agony profitably. After a last desperate attempt at evasion, they settled with Drew, taking losses estimated at between eight hundred thousand and a million dollars. Some thought that Drew,

in clipping these master manipulators so royally, had done a signal service to the nation.

At the end of September Drew was off inspecting the line of the Wabash Railroad, to whose board he had just been elected. When he got back, he found a new situation on the Street. Gould and Smith had had a sudden falling out, occasioned by Gould's covering his own short contracts but not Smith's one balmy Saturday when Smith had joined most of Wall Street at the races. Sticking close to his office, Gould received advance word from Washington that the U.S. Treasury had decided to relieve a stringency in money, which was bound to send the market soaring. As a result Gould switched to the bull side of the market and realized a handsome profit, while Smith took a sizable loss. Enraged, Smith vowed that he would so ruin Gould that in a year's time Gould would be roaming the city's streets with a hand organ and a monkey, while Gould announced that he would live to see Smith driving a dray wagon. One of Wall Street's great friendships had soured.

This in itself need not have concerned Uncle Daniel, but he learned as well that Gould and Smith were now playing opposite sides of the market, each bent on ruining the other. Aware that Gould was heavily long of the stock of the Chicago and Northwestern Railway, in early October Smith joined a clique of insiders in bearing the stock. Drew reflected. In the market, Gould had been a major enemy of his and Smith a minor one. Drew himself had often shorted "Nor'west," sometimes with delightful results, and the insiders were doing so now. Therefore he too went heavily short of the stock, for which Gould took his contracts and calls.

Over the following weeks, however, Northwestern went not down but up, surviving various bits of bad news and being buoyed with the rest of the market by the landslide reelection of Grant. Rumors circulated that the insiders had gone over to the bulls, following which, on November 20, as Drew and the other bears watched helplessly, the stock spurted twelve points to close at 95. That Gould had achieved a brilliant corner was confirmed when it reached 99 the next day, and then on Friday, November 22, soared in the afternoon without any sellers appearing. As it hit 112 on the ticker tape, brokers and speculators poured out of their offices and braved a pelting rain to the Stock Exchange, where jostling throngs watched as Northwestern continued its surge, to 130, to 150, even as reports circulated that Gould had been arrested. When the gong rang the closing hour of four, the stock closed at 200, having doubled in a single hour. Astonishment reigned, amid hysteria and fears of a panic.

It was quickly confirmed that Gould had been arrested just as he was launching the rise. The order was served on the complaint of President

Peter H. Watson of the Erie Railway Company, who brought suit to recover \$10 million that Gould had allegedly misappropriated while president and treasurer of Erie. Watson's charges were based on an examination of the books of Smith, Gould, Martin & Company, which had just been delivered to him by Henry N. Smith, whose affidavit supported Watson's complaint. Since Horace F. Clark and Augustus Schell—two Vanderbilt men who had helped him in the corner—immediately posted the \$1 million of bail, Gould was able to rush back and resume direction of the Northwestern corner within a scant half hour.

The arrest of Gould raised Wall Street's excitement to a fever pitch. Mere stockjobbing by the bears, insisted Gould, but President Watson—sincerely, no doubt, given his reputation for integrity—denied any knowledge of a corner; he had long wanted to bring action against Gould but had found grounds to do so only upon gaining access to Gould's old account books. Straightfaced, Smith insisted that the timing of the arrest was sheer coincidence and that his sole motive was to bring a criminal to justice. Uncle Daniel, although he admitted to prior knowledge of the arrest, denied being involved in any way, as perhaps he was not, although he hoped to take advantage of the coup.

On Saturday November 23, the drama's chief actors spent the day entrenched in their respective offices. Gould arrived at his brokers', Osborn & Chapin's in Broad Street, looking as imperturbable as ever, disappeared inside, and thereafter was seen by few, being wary of a second arrest. In his New Street office, Smith was conferring frenziedly with his lawyer and fellow bears in quest of legal loopholes. As for Uncle Daniel, he arrived early at his basement office in Exchange Place and remained secluded there, while the brokers and clerks in the front office settled up the first of his losses. All day a half dozen messengers shuttled between him and the exchange, while a private secretary came out of his office at intervals to check the ticker tape just outside the door. Occasionally the Old Bear himself would emerge with a rumpled, worn silk hat pushed back on his head, his trouser leg pulled up half way to his knee by a bootstrap, and a cigar between his teeth. Bending over the ticker tape, he would blow a clear space through the clouds of smoke, check the latest "Nor'west" quotation, then retreat back into his office. The tape gave only bad news—Northwestern was around 150—but whenever a fellow bear was ushered in to see him, he received him with unfailing good humor. Although he had no time for reporters, a *Herald* man caught him briefly as he hurried out later.

"Things have been lively?"

"Yes, kind o' that way."

"You were somewhat interested in Northwestern, weren't you, Mr. Drew?"

"Well, some people will have it so. Of course I was, in a certain way."

He clamped a cigar between his teeth, as if to keep from laughing or crying.

"But not to any extent, one way or the other?"

"Oh, the boys have had a little sport, you see, and I don't blame 'em, even if I had a few sheers." A peculiar grin crept over the old man's face.

"You had only a few?" said the reporter, but Uncle Daniel hurried away.⁷

Having put Northwestern to 200 on Friday, on Saturday Gould lowered it to 150 to let the small fry settle. Settle they did, waiting in line at Osborn & Chapin's to step into the private office and learn what terms they could get. Contracts were compromised at 150, or even less, if otherwise the victim might fail, since the subtle Gould wanted not a hecatomb of bankrupts, as on Black Friday, but juicy victims squirming on the hook. The bears submitted stoically, one of them boasting afterward that "the boys have stood up and been slaughtered like men." Several of them, their ordeal over, were lying prostrate on sofas in their offices.

But Uncle Daniel was not of a mind to be slaughtered, especially since, as one of the big fish in the net, he could hardly count on Gould's gracious mercy. He was short about 20,000 shares, of which he had covered half at the outset, using stock borrowed from the widow of the late Henry Keep. Even so, he faced an immense loss on the other half of his contracts, regarding which Gould now invited him to "step up to the captain's table and settle." It took a great deal of effort by the bulls to get Drew over to their office, but he put in an appearance at last. "There, boys," he said, brandishing his check, "there's the cash you've stolen from me. I hope it'll do you good."⁸

The check, however, was for a settlement at 125. Gould and his allies had no intention of letting the Deacon off so cheap, when the lesser shorts were being tenderly clipped at 150, so the old man went back to his basement. The evening before, talking to a *Times* reporter, Uncle Daniel had observed jokingly, "I hearn Nor'west's a-risin'." Now, as the stock closed at 230 on Saturday, someone remarked to him, "Northwestern is rising." "Risin'," he said, "*risin'*? It's *riz!*"⁹

On Sunday November 24, even as a *Herald* caption announced the "Agony of Daniel Drew," the Old Bear pondered and prayed. Perhaps his prayers had to do with "them air Nor'west sheers," although in the past he had been singularly unsuccessful in enlisting the Almighty's aid in his Wall Street operations. When trapped by Gould and Fisk in Erie exactly four years before, he is said to have taken a Christian brother's advice and had recourse to prayer, only to report to his adviser, "It's no use, brother—the market still goes up."¹⁰ Aside from prayer, there was little left but blind hope.

On Monday morning the first quotations disabused him; the corner was as tight as ever. So he stepped over to Osborn & Chapin's and re-

sumed negotiations with Gould. Gould, beaver-hatted as usual, was in a back room, sitting in an armchair before the fireplace, his feet on the marble mantel. Sitting down with this black-bearded, quiet little man, Drew found him disarmingly courteous and amiable as for a few minutes they chatted about "old times," but the moment they broached Northwestern, Gould became inexorable. Fixing Drew with his deepset, inky eyes, Gould informed him that he had received considerable instruction from him in a "financiering" way and often to his cost; nevertheless, he had always paid his losses like a man and now expected Drew to do the same. Drew then made another compromise offer, but Gould spurned it, so the Old Bear went back to his basement again.

Yet neither side was inclined to be adamant. Drew was tired of being "twisted," while Gould's sole aim was to extract all he could from him without the trouble and expense of litigation. So another meeting was arranged for eleven that night at Gould's residence at 578 Fifth Avenue, attended by Gould, Clark, Augustus Schell, Richard Schell, Drew, Drew's former broker David Groesbeck, and several others. The remaining holdout, Smith, was not present, having repeatedly told Gould to go to hell. After a protracted debate, with various terms proposed and rejected while Groesbeck acted as umpire and Uncle Daniel haggled and protested, an agreement was hammered out. He would settle at 125.

All Tuesday Drew and his various brokers were busy reckoning his debts and paying up; he lost at least \$1 million. Interviewed at his home that evening by the *Tribune*, he frowned whenever Northwestern was mentioned but disclaimed any knowledge of a corner. He more than frowned, however, when on that and later occasions reporters informed him that President Watson of the Erie was thinking of having him arrested on the grounds of the stock issue of 1868.

"Arrest me!" he exclaimed to one reporter. "Why, how kin they arrest me? What have I done? Did I ever injure anybody? Who's goin' to arrest me? Why, I never heerd of sech a thing. What have I done? They can't arrest me. Mr. Watson, eh? Wal, they can't prove anything against me!"¹¹

Meanwhile Henry Smith, having taken legal counsel, bought up all the Northwestern preferred stock that he could get and offered it in lieu of the common. Heated negotiations followed between the nervous little redheaded man and the quiet little black-bearded man, until Gould at last gave in, allowing Smith to settle at the preferred stock's price of 100. Immediately the common stock fell to 85 on the market and the great Northwestern corner was history. No one had gone bust, but the bulls had made two or three million dollars. Said one small operator, as the excitement subsided: "I should like to see Dan Drew, old Vanderbilt, little Hank Smith, and Jay Gould fight a quadrangular duel, and each one kill his man!"¹²

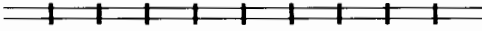
As a master operator, Jay Gould now reigned supreme. His alliance

with Clark and Augustus Schell had led the newspapers to dub the bull clique in Northwestern the "Vanderbilt party," which irked the Commodore mightily. On November 26 he sent a statement to the papers protesting their linking of his name to Gould's in the corner. Since July 1868, he emphasized, he had had nothing to do with Gould and had urged the same course on all of his friends. Asked by a *Sun* reporter why he thought ill of Gould, Vanderbilt explained: "His face, sir; no man can have such a countenance as his, and still be honest." The Commodore, it turned out, believed quite literally that God Almighty had stamped each man's character on his face. Claiming to have read Gould like an open book the first time he saw him, he pronounced him "a damned villain."¹³ Invited to comment, Gould remarked that the Commodore was in his dotage.

For Gould, to be sure, there remained that matter of the Erie suit to recover \$10 million. Astutely, he opened negotiations with President Watson, convinced him that a compromise would be in Erie's interest, offered a settlement that the Erie board approved, and so turned their moral crusade for restitution into a mere business transaction between equals. Thereafter, Drew had little fear of arrest.

Bruised by his loss in Northwestern, Henry Smith retired from Wall Street to live on his stud farm near Trenton, where he devoted himself to breeding fast trotters. With him to the farm went the books of Smith, Gould, Martin & Company. One day in the spring of 1874, when there was talk of further litigation, some men appeared at the farm while only a hired man was on the premises, seized the books, and made off with them. The books were never heard of again.

Meanwhile Uncle Daniel remained in the market, but he steered clear of Gould. Twice now, each time in the wake of Grant's election to the presidency, Gould had relieved him of a million. Was this sinister little man his nemesis?



Uncle Daniel Buys the Dream

In 1872, even while gambling millions in Erie and “Nor’west,” Daniel Drew sustained a remarkable interest in the quicksilver mines of California, the glorious future of the port of Baltimore, the fertile grainlands of Indiana and Illinois, and the vistas of the magnificent West. The names of these far-reaching ventures were Quicksilver, Canton, “Can’da Sethern,” and “Waybosh.” In nourishing them, his mind had embraced the continent.

Drew’s interest in the Quicksilver Mining Company of New York became apparent on February 28, 1872, when he was elected to the board and promptly became the company’s president. The company owned the New Almaden quicksilver mine in California, some sixty miles southeast of San Francisco, and in the 1860s had inspired high hopes based on the growing use of quicksilver in mining. Since then, alas, the price of quicksilver had dropped, earnings had plummeted, and the stock had been depressed on the market, becoming a volatile fancy shunned by serious investors. The company’s new president, however, explained to all and sundry that the price of quicksilver had recovered dramatically, so that the company would soon pay off its mortgage bonds and start paying regular dividends. Impressed, even sharp Wall Street professionals bought the stock for a rise and sold puts in it, unaware that the mortgage was probably being paid off with borrowed money, and that as they were buying, Uncle Daniel was selling. Over a period of months Quicksilver stock rose, fell, rose, and fell again, but never quite went anywhere. So happy was the company’s president with this performance that at the next election, in February 1873, he showed up with a majority interest

and got himself reelected president. Not that he felt the slightest urge to visit the quicksilver mines in California. Why should he when right here on Wall Street Quicksilver had turned into a gold mine?

There were other gold mines, too. On March 12, 1872, Drew went to Baltimore in the company of Vanderbilt and department store magnate A.T. Stewart, two of the richest men in the country, to look over the property of the Canton Company of Baltimore. This real estate company had shared fully in the land boom of the 1830s, when unscrupulous Wall Street stockjobbers had hoisted its stock to an astronomical 300, until the Panic of 1837 and its aftermath had brought it crashing down. Since then it had been the most despised of fancies, but now, the company assured this visiting trio of millionaires, a new era was dawning for it. With the approaching completion of the eighteen-mile-long Union Railroad, linking up all railroads entering Baltimore and connecting them with tide-water on the Canton property, Baltimore would become the second if not the first port of the nation, luring to Canton's wharves the produce of a continent. Canton's present, then, was profitable and its future dazzling.

Drew and his companions inspected the Canton property and the railroad, and Drew, upon returning to New York, stepped up his purchases of stock. At the annual election on June 6, four New Yorkers joined the board: two Vanderbilt men, Drew, and Eugene N. Robinson, the young son of Drew's long dead partner Nelson Robinson, through whose Wall Street firm Drew did much of his trading. Thereafter, having acquired a majority interest in the stock, the Old Bear sang its praises. At his urging, in November 1872 the small Wall Street banking house of Biedermann & Company bought 18,600 shares at 100 for a rise to 150 or 200. Instead, the stock sold off, then plunged dramatically in the decline of September 1873. Ernst Biedermann later asserted that most of the stock had come to him from Drew through a blind, on which transaction he claimed a loss of \$1 million. Whether or not Uncle Daniel believed in the Canton dream, he believed in the movements of its stock.

Quicksilver and Canton were Daniel Drew's little Eries, speculative toys that he manipulated more or less at will. Canada Southern, on the other hand, he viewed as a solid investment, a vision of transcontinental scope. Such visions were all the rage in the early 1870s, for with the completion of the Union Pacific and Central Pacific railroads in 1869, forming the first transcontinental line, Wall Street and the public anticipated vast new commerce with California and the upper Mississippi valley, causing a scramble among Eastern railroad men to secure connections with Chicago and the West. The great prize was snapped up by Vanderbilt, who, in acquiring control of the Lake Shore and Michigan

Southern Railroad in September 1869, pushed his New York Central through to Chicago.

If the Commodore was stretching his mind and schemes to national dimensions, Drew was inclined to do the same. In the spring of 1870 the experienced Canadian railroad promoter William A. Thomson came to New York City to interest Gotham's money men, Drew among them, in the Canada Southern Railway. This was a projected 229-mile line that would lie wholly in Ontario, Canada, linking Buffalo and Detroit by a road so direct and gradeless, said Thomson, that it must become the shortest, fastest route between those cities, in fact, between the Eastern seaboard and the great American West. Persuaded by Thomson's arguments, on May 23, 1870, Drew and six others signed a formal agreement to subscribe to \$2 million of Canada Southern stock and reimburse Thomson for his promotional services and expenses. The names of the major subscribers constituted a roster of financial luminaries: Sidney Dillon, a director and future president of the newly completed Union Pacific; John F. Tracy, president of the Chicago, Rock Island and Pacific Railroad, and soon to become president of the Chicago and Northwestern Railroad, both lines linking Chicago to the West; William L. Scott, president of the Erie and Pittsburgh Railroad; Milton Courtright, a prominent civil engineer and railroad contractor, and a director of the Lake Shore, Rock Island, and Union Pacific lines; and Daniel Drew, whose name on Wall Street still ranked second only to Vanderbilt's. Drew saw in the venture a chance to let his Eastern capital, like Vanderbilt's, reach out toward the West, toward profits, glory, and empire.

Armed with Yankee commitments, promoter Thomson swung into action. Surveyors were hired, directors elected, and Milton Courtright chosen as president, while Director Drew served on the five-man executive and finance committee, and so become a power in the road. To be sure, when word circulated that a portion of the company's first-mortgage bonds would be offered to the American public, a skeptic who signed himself "Vindex" wrote a letter to the *Chicago Railway Review*, casting doubt on the Canada Southern's anticipated earnings, dividends, and connections. But in April 1872, when \$5 million of the bonds were offered in New York, they were snapped up by small investors. Track laying began on May 1 and continued over the balance of the year. If the directors were especially jubilant, their sharing in the profits of the construction company, as later alleged, might have had something to do with it.

But this was just the beginning. Rather than depend on existing connections in Michigan, in 1871 the Canada Southern promoters organized a second company in the United States, called the Chicago and Canada Southern Railway, to link the Canada Southern to Chicago. Drew sat on

this board, too. Then in 1872 the Canada Southern men acquired a controlling interest in the projected Michigan Midland and Canada Railroad in order to connect with other roads in Michigan, and, at the eastern end of their line, leased the little Erie and Niagara Railroad to assure connections there as well, which gave them four railroads to date.

But bigger things yet were on the anvil. From the outset the construction of the Canada Southern aroused great interest in the management of the Toledo, Wabash and Western Railway, an important line running southwest from Toledo, Ohio, across Indiana and Illinois to the Mississippi River. The Wabash boasted of traversing America's breadbasket and providing a gateway to the West, but it was desperate for a more effective eastern connection than the congested Lake Shore line now dominated by Vanderbilt, a connection that the Canada Southern promised to provide. Accordingly, President Azariah Boody of the Wabash was eager for a close collaboration. To link the two roads, therefore, the Canada Southern in 1872 organized a fifth railroad, the Toledo, Canada Southern and Detroit Railway, which would join Toledo to Detroit and both cities to the Canada Southern.

Uncle Daniel greeted the Canada Southern's tie-up with the Wabash enthusiastically, touting "Waybosh" stock with the same zeal that he had shown for Quicksilver and Canton. Indeed, on December 22, 1871, he had secretly formed a pool with ten others to operate in Wabash stock. Among his fellow pool members were Sidney Dillon of the Union Pacific, and three railroad presidents: Azariah Boody of the Wabash, Milton Courtright of the Canada Southern and the Chicago and Canada Southern, and Gen. John S. Casement of the Toledo, Canada Southern and Detroit. Besides speculative profits, however, these eminent gentlemen had their eye on the next Wabash election, thus precipitating a keen struggle with the Vanderbilt men of the Lake Shore line. As a result, on October 2, 1872, Drew and seven other Canada Southern men were elected to the Wabash board, supplanting the Lake Shore men as the dominant interest. Drew and his partners seriously intended to ally the two roads closely and perhaps even consolidate them by leasing one to the other. In the Canada Southern scheme of things, Wabash would be railroad number six.

But why stop at six? On Wall Street, by August 1872 far more was hinted at. In Uncle Daniel's fertile brain, it was said, a fabulous scheme had flowered. Not only would the Canada Southern hitch up with the Wabash, but across the Mississippi it would also get control of the Hannibal and St. Joseph Railroad, and beyond that something called the St. Joseph and Denver City, which connected with the Union Pacific. Linked to all of these (railroads seven, eight, and nine), the Canada Southern would acquire, besides the links already planned at Chicago, a second great connection to the West.

Here was continent-sized ambition, an empire-builder's dream. Had the Old Bear become a long-horned bull at last? Or were these reports mere gossip, or another ploy to manipulate the market? Probably there was something to the rumors—a tentative intention, if not a hardheaded scheme. Even for the Speculative Director, it was time to think transcontinentally. If Vanderbilt could get to Chicago; if Jay Cooke, America's foremost investment banker and propagandist, could project his 1800-mile Northern Pacific Railroad through a vast wilderness that he publicized as being rich, fertile, empty, and ripe for settlement; and if a host of like enthusiasts, teeming with vision and rapacity, could buy the dream of the West, why not Uncle Daniel as well? Holed up in his back office in Exchange Place, puffing his cigar, pacing and ruminating with one eye on the ticker tape, this sly old cheat bought the dream.

But 1873 was not a good year for dreams. The boldface ads for Cooke's Northern Pacific bonds, for the bonds of the Chicago and Canada Southern Railway, and for a host of other issues ran month after month in the newspapers, which was sure evidence that the bonds were not selling. Both at home and abroad there was a vague malaise in the air, a nascent climate of doubt and suspicion. The one transcontinental line already in operation was hardly a success. Debt-burdened and hastily built, the Central and the Union Pacific traversed vast empty spaces rich in Indians, bison, and rattlesnakes, none of which offered business to a railroad. Worse still, starting in January 1873, a Congressional investigation confirmed the colossal corruption engendered by the *Crédit Mobilier of America*, the Union Pacific's construction company, which had enriched insiders while systematically bribing Congressmen and government officials. Henceforth, all railroad promotions were suspect. Then in May 1873 a financial panic broke out in Europe, and as European capital contracted, the major source of funds for American railroad expansion dried up. With no help likely now from either the government or the public, many New York bankers and brokers had to dig deep into their own firm's pocket to sustain some pet railroad project to which they were heavily committed.

Surely no such difficulties marred the outlook of the Canada Southern line, with its board of millionaires. The last rail was laid on February 20, 1873, creating an almost straight-line route between the Niagara and Detroit rivers. Since neither of those rivers had been bridged as yet, the management delayed the road's opening until spring, when local trains began operating over part of the line. Admittedly, this was a far cry from a through express route between Buffalo and Chicago, but the first annual report, dated June 1, voiced confidence. At the road's western end there was a ferry that could accommodate whole trains at a time, while at the eastern end the International Bridge was supposed to be finished

within the next sixty days. Of the whole system's projected 697 miles, 408 were now completed. However, because of the system's peculiar position, the report explained, no part could be opened until the main Canada Southern line and certain connections had been finished.

Four hundred miles of railroad had been constructed with scarcely a penny of earnings, at a projected cost of over \$30 million; the International Bridge was still unfinished; and the bonds were not selling—did this not add up to trouble? Yet with only a little more work between Detroit and Toledo, and the opening of the International Bridge, through service could be initiated between Buffalo, Detroit, and Toledo, with connections to Chicago. It was no time, then, for discouragement. To meet the continuing drain of construction costs, the affluent Canada Southern directors endorsed the company's notes in large amounts. Since certain London investors had taken Canada Southern bonds in the past, the management still hoped to place large amounts with them in order to meet the company's notes as they fell due. The bonds would sell—they had to! Earnings were just around the corner.

No word of this was leaked to the public, who had every reason to believe that the Canada Southern's promoters could cope with any chance financial embarrassments. Drew alone could surely do so, even though last year he had taken a heavy loss in Northwestern. Surely he could do so, even though he was also loaded up with Quicksilver, Wabash, and Canton. And even though, as far back as the tail end of March 1873, there had been much puzzlement in Putnam County when work on his new Collegiate Institute at Carmel—a planned companion to the Female Seminary—had stopped, and the workers had suddenly packed up and left, no explanation given.

And surely there was no cause for alarm when, in that same month of March, President Boody of the Wabash brought suit against Drew and three others in the Wabash pool, the recent existence of which was thereby revealed, alleging that the charges of Drew's brokerage house in administering the pool had been excessive and that Drew and others had at the same time operated in the market on their own, as a consequence of which Boody demanded an accounting from all the defendants. The pool, it seemed, had ended up with a loss, while Uncle Daniel had netted a profit in the stock on his own. Perhaps the Wabash and the Canada Southern would not be linked so closely after all, since Boody could always rekindle the courtship by the Lake Shore line, whose management was as eager as ever to tie in with the Wabash. Had Uncle Daniel been "smart" just once too often?

On May 14 Drew and his son attended the annual meeting of the seminary board at Madison and, on the following day, the seminary's commencement. The worthy founder was reported by the *Christian Ad-*

vocate to be in quite feeble health; prayers were offered for him. Indeed, although he had been healthy all his life, at seventy-six Drew looked increasingly frail and was living in the shadow of mortality. He now rarely attended the Canada Southern board meetings in New York, and when the new executive and finance committee was named on July 8, for the first time he was not on it. Meanwhile his wife had suffered a stroke and was now partially paralyzed and confined to her bed, with little prospects of recovery. This was a fearful change in the long established patterns of his domestic life.

In July he went to Putnam County to stay with his son Bill in the Italian-villa-style mansion that, with his father's help, Bill had bought from Daniel Drew Chamberlain in 1867. But here too mortality stalked him. After a prolonged illness, his younger brother Thomas died at his residence in Drewville on July 31. A prosperous farmer and drover and more recently the trustee of a local bank, Uncle Thomas had been closely identified with the community all his life and was loved and respected by everyone. Daniel saw him buried near their parents in the old Cliff Cemetery, now the Drew Cemetery, on the low knoll across the road from Bill's mansion, where Daniel meant to be buried himself. Then in mid-August Bill was off on a tour of the Adirondacks while his father, like many Wall Streeters, repaired again to Long Branch, where the Brewster paper reported that he stuck to his rooms at the Ocean House "like a burr to a sheep's back."¹ Apparently he was still not well.

By September Drew and most Wall Street men were back in the city. While he stayed quietly at home, the rest of them surveyed the business climate and were gratified by what they saw—busy factories, crowded shops, much construction, and a fine harvest. Yet this time of year always aroused uneasiness as money flowed to the West and the South, producing a stringency in New York—circumstances that once again spurred Gould to his most insidious and disruptive efforts. First, he launched a campaign to force up the price of gold, causing many to fear another Black Friday, and then, having reportedly sold out at the top, he began a new move to drive stocks down. His ruthlessness in finance, coupled with his aloofness—he was reticent and abstemious by nature, shunned parties and the sporting life, preferred books and botany—caused him to be hated and feared more than anyone. Black-bearded and secretive, with a lack of scruples unrelieved by Fisk's bonhomie, Vanderbilt's magnetism, or Drew's quaint rusticity, he had been christened "the Mephistopheles of Wall Street." Now, the whole financial community awaited his next move nervously. Suddenly a manipulation of Wabash stock depressed it from 70 to 66. For this, many held not Gould but Drew responsible, although the old man was ailing at home. More likely, the manipulator was Drew's broker, Kenyon Cox.

On Sunday September 7, vague bearish rumors brought many Wall

Streeters back early from a weekend at Long Branch, and on the next morning the New York Warehouse and Security Company, crippled by bad loans to railroads and railroad construction companies, announced its suspension. The stock market declined, then rallied, but a seed of doubt had been planted. Other Wall Street houses with heavy railroad commitments began scrutinizing them and calling in loans.

For several days the market remained skittish and vulnerable. On Wednesday, the tenth, rumors that the firm of Biedermann & Company was in difficulty caused Canton to plunge on the market. Uncle Daniel, who had long since unloaded much of his holdings on the firm, was said by some (wrongly, it would seem) to have inspired the sell-off. On the eleventh the *Herald* announced that "a sense of calamity, indescribable and perhaps superstitious, overhangs the street—a vague, intuitive expectation of something that is to be, but is not yet." Then, early in the exchange's morning session on Saturday September 13, came a startling announcement. Kenyon Cox & Company, Daniel Drew's brokerage house, which was considered one of the soundest on the Street, had suspended! Wall Street was stunned; prices plummeted.

The firm of Kenyon Cox & Company had been established in May 1870 by Kenyon Cox, whom Drew had long known as a member of another brokerage house allied with David Groesbeck & Company. Since Groesbeck was about to retire, from that time forth Drew gave Kenyon Cox the bulk of his Wall Street business and joined the firm as a special partner with limited liability, contributing \$300,000. The firm and its partners were closely associated with Drew in his Canada Southern commitments and in his Wall Street operations. Consequently, news of its suspension provoked heated debates at the exchange as to whether Drew was now a special or a general partner. Special said some, which meant limited liability; not so said others who insisted—rightly, as it developed—that after the firm paid \$300,000 on his Northwestern losses the previous November, Drew had become a general partner with full liability. The thought that, despite such liability, he had allowed the firm to fail, dismayed operators and fueled a panicky sell-off in which Wabash stock took the worst of the beating.

Shortly afterward Kenyon Cox himself appeared at the exchange, where he told friends that the suspension was probably temporary and in no way the result of speculation, but rather of the endorsement of Canada Southern notes. On Monday September 8, he said, a cable from London had informed the railroad that English investors declined to take any more of its bonds. An emergency meeting of the railroad's backers had elicited promises from them to each take a quota of the unsold bonds. However, some who were out of the city could not be reached in time, which meant that, unexpectedly, the endorsers of the company's

notes would have to meet their obligations, totaling about two and a quarter million dollars. The Kenyon Cox partners could meet their immediate obligations, but not notes for a much larger sum due in thirty days, so in justice to the firm's creditors, Cox had suspended at once. He expressed the opinion that Canada Southern would soon meet its obligations, thus allowing Kenyon Cox & Company to resume. As for the firm's creditors, they would be paid in full.

Cox's statements allayed the excitement at the Stock Exchange, but rumors concerning Drew abounded: he wanted a panic, he feared a panic; he was manipulating the market or was a victim of it; he had let others come to grief, he had come to grief himself. Some believed that he was now heavily short of the Vanderbilt stocks; all were convinced that he was looking out for number one. This assumption was evidently shared by the Canada Southern board, for President Courtright told a reporter that in his opinion Drew could have prevented the failure. All over Wall Street, in the press thereafter, and at the Fifth Avenue Hotel on Sunday evening, Drew was denigrated while Cox and the other partners got sympathy. Yet Cox himself deplored these reports, stating repeatedly that Drew had in no way connived at the firm's suspension, that he had acted fairly throughout, and that if he had foreseen the crisis three weeks before, Drew would surely have saved the firm by converting some assets into cash.

While a police officer stood guard outside the firm's offices at 31 Wall Street, junior partners and clerks toiled feverishly at mounds of paper work, but Uncle Daniel was nowhere to be seen, nor had he been for some time. He was said to be ill or not ill, to be in Europe, at Saratoga, at Lake Mahopac. A reporter, however, found him at his Union Square residence, where in the briefest of interviews the old man confirmed that he was sick and refused to discuss the failure of the firm. Thereafter he remained tight-lipped, doubtless on the advice of his attorney.

In testimony three years later, Drew claimed that he had not known that the firm would fail until the night before, and he blamed the failure on Cox's speculations in Wabash. Yet one wonders if an old hand like Drew, even if distanced by illness, would have lost track of the firm's operations so completely. Certainly the crisis was abrupt and unforeseen, and in no sense, as some conjectured, a trick of Drew's to bring on a panic. The troubles of Kenyon Cox & Company and the Canada Southern were painfully real to him, for financially he was committed to the hilt. Perhaps, as one report at the time suggested, he refrained from rescuing the firm on the advice of his lawyer, so as to first learn the state of its affairs, an attitude that might have struck the other Canada Southern men as betrayal. In any event he had plenty to worry about: as a general partner with full liability, he was the only one of the four partners

with assets enough to satisfy the creditors. That he of all people should find himself so vulnerable implies an uncharacteristic lapse of judgment, probably attributable to illness or age.

On Monday September 15, the rumors about Drew persisted, but no further failures were announced. Kenyon Cox & Company's customers, notified by telegram to take possession of all stocks and bonds deposited with the firm, arrived in the city to find their securities intact, which encouraged hopes that the firm would resume. On Wednesday the seventeenth, the Canada Southern board held its first meeting since the Kenyon Cox failure in the company's offices at 13 William Street. In the absence of Drew and others, five directors discussed the company's financial situation, debated what the president would tell the stockholders at a meeting on the following day, and voted to get emergency loans from two Canadian banks for \$55,000, a fraction of what the company needed. Meanwhile the stock market was reeling under a surprise assault by the bears, while distrust grew and rumors circulated to the effect that Gould was heading a bear clique, that the Western railroads were in trouble, and that a great failure was imminent.

With these reports hot in their ears, at 11:00 A.M. on Thursday the eighteenth, the Canada Southern stockholders convened at 13 William Street to be reassured by President Courtright, who stressed that the company's embarrassments were temporary. The stockholders received the report favorably, but adjourned to consider it at a later date. As they left the meeting, however, those who proceeded up William Street the two short blocks to Wall Street must have noticed at once excited crowds gathering up ahead, from whom they heard the most astonishing news: Jay Cooke & Company had suspended!

The collapse of America's foremost investment house was a financial thunderbolt. When it was announced late that morning at the Stock Exchange, a great roar went up and men gaped in disbelief and dismay. Jay Cooke, that giant of finance—he whose inspired efforts in the Civil War had saved the Union by selling millions' worth of government bonds not to the bankers but the people; no petty stockjobber or grasping profiteer, but a great, bold, hearty, open man, a faith-inducer, a visionary whose dreams were immense; a collaborator of the Barings and the Rothschilds, and a friend of presidents—this most successful and creative of bankers, his name an article of faith, had failed, being borne down by the interminable costs of pushing a railroad through the wilderness.

Immediately an avalanche of selling hit Wall Street, as on the Stock Exchange floor traders literally tore their hair and rushed about, collided, gesticulated, or stared dazedly. Banks tightened up on loans, money rates soared, and by afternoon two well-known brokerage houses—one of them Vanderbilt's old ally Richard Schell—had "gone

up," compromised by a precipitate decline in Western Union. Hundreds more would follow, it was thought. One Canada Southern director, informed that afternoon, offered the bland hope that "the present feeling" would subside within a few days. Gould, however, was already spear-heading a savage attack on the market, and Drew, when he heard of Cooke's failure at home, must have grasped instantly how all chances of a Kenyon Cox resumption had been blasted.

On Friday September 19, as a dark sky sent down a pelting rain, throngs flocked to Wall Street to crowd into their brokers' offices or stand outside under umbrellas in a thick black mud, their ranks packed solidly for blocks. At 10:00 A.M. the first click of the ticker tapes riveted everyone's attention in the offices, as the decline continued. Not even the resources of a Vanderbilt could keep his stocks from falling with the rest. Firm after firm failed; runs developed on banks. The banks were especially vulnerable, being seasonally short of cash and holding as collateral quantities of dubious railroad securities whose value was shrinking by the minute. Desperately they called in their loans, even as hard-pressed brokerage houses bombarded their customers with urgent margin calls that few were able to meet. Meanwhile news came of failures in Philadelphia and of business at a standstill in Baltimore. By the end of the day, the failures in New York were reckoned at 23, 25, or 30—nobody was sure of the count.

Housebound and ill, Drew was in a desperate position. His Wall Street firm was doomed, the Canada Southern directors were down on him, his brokers wanted margin, his creditors money, he was unwell, and to top it off, his own kin were after him again. Yes, at this very worst of times, his granddaughters Georgiana, Josephine, and Louise were clamoring for money. He had given them bonds guaranteeing payment of the \$70,000 due each of them under the terms of their father's will, and up till now the arrangement had worked out nicely because he had had the use of the money, while the girls got their interest twice a year. Now, however, alarmed by the panic, the granddaughters feared lest their capital be lost. Joined by Antoinette—the baby of the family, married now and just come of age—they called on their grandfather to either produce the amounts due them or give them further security. Since money was nowhere to be had, Granddad talked to his lawyer. As a result, on Saturday September 20, he secured the granddaughters' claims against him with four mortgages, each for \$70,000, on his property on Union Square. He could not keep the matter from his ailing wife, since she had to sign the mortgage papers, too. But the sacred trust was secure.

Little else was. On that same Saturday Augustus Schell's Union Trust Company, a firm tied to the Vanderbilt interest, suspended, proving that

even Vanderbilt houses could go bust. In all, four banks and eleven brokerage firms failed in New York that day, and more in Philadelphia, Albany, Chicago, and Toronto. While depositors made runs on banks, brokers at the Stock Exchange shouted themselves hoarse in hectic trading, until the exchange's governing officer, in an act without precedent, declared it closed until further notice. At the time of the closing, Wabash stock, having sold at 70 in early September, stood at 44; Canton, once quoted at par, at 75; and Quicksilver common, worth 30 a week before, at 24—prices ruinous to the Old Bear's tranquillity and credit. He was being bled just like the bulls.

Could the panic be stopped? Not even Vanderbilt had the ready cash needed to sustain the banks and restore confidence; the only hope was the government. President Grant and Secretary of the Treasury William A. Richardson arrived in New York Saturday evening and spent all Sunday conferring with leading merchants, financiers, and railroad men at the Fifth Avenue Hotel. Closeted with the president, Vanderbilt urged the government to place twenty to forty million greenbacks in selected banks, but Grant and Richardson refused, convinced that they lacked the authority. Instead, they proposed the conventional solution that the U.S. Treasury buy government bonds in the open market in order to put currency into circulation.

Uncle Daniel kept to his home, but that evening a *Sun* reporter sought him out and wangled an interview. Yes, he had read reports in the papers that he and Gould had profited from the panic and were conspiring to depress the market further. This was nonsense, of course, as he himself had made no money at all in the panic, and had had no dealings with Gould for many years. The cause of all these failures? "All I know about it is that it's a very bad affair for the country, and one it won't recover from soon." On this note, he ushered the reporter to the door.²

During the week that followed, the treasury bought bonds to no avail, the Stock Exchange remained closed, runs developed on savings banks, and failures multiplied. With currency in short supply, business was paralyzed nationwide, while distress was spreading. On the sixteenth anniversary of the Fulton Street Prayer Meeting, initiated during the dark days of 1857, the North Dutch Church was jammed.

Uncle Daniel had more to do than pray. It was obvious that Canada Southern could not be bailed out, nor could Kenyon Cox & Company resume. After a two-week grace period, the Kenyon Cox partners could be forced into bankruptcy, which would put his assets at the mercy of the creditors. So on Monday the twenty-second, he deeded his Union Square mansion to his son for one hundred dollars, subject of course to the four mortgages just executed, but took care not to have the new deed recorded. Then two days later he sold Bill a thirty-seven-acre farm in

Carmel for a dollar. Likewise on the twenty-fourth, heeding the advice of the senior partner of Boyd, Vincent & Company, the brokerage house where he had his biggest account of the moment, Drew transferred that account—including numerous railroad bonds and his Quicksilver, Canton, and Canada Southern stock, valued in all at \$2 million—from his own name to that of his son, who was apparently unaware of it at the time. In any event, the transfer was nominal only as the old man still had full control of the account.

By the end of the month the runs on banks had subsided, and the Stock Exchange reopened its doors, but this was of no help to Drew. While the hometown paper in Carmel was insisting that rumors of his difficulties were “all bosh,” that he could stand a dozen failures like that of Kenyon Cox & Company, he himself knew better.³ On October 11 he was served at home with a summons to answer a complaint by William L. Scott, a former Canada Southern director, who as a creditor of Kenyon Cox & Company was petitioning the U.S. District Court to declare Drew, Cox, and the two junior partners bankrupt and to seize their estates to satisfy their creditors. Scott, a prominent railroad and coal mine operator of Erie, Pennsylvania, was a Canada Southern and Wabash stockholder, and as such seems to have had it in for Uncle Daniel, especially upon learning of the four mortgages of September 20, which he saw as an attempt by Drew to defraud his creditors. Scott had therefore become the attorney for many of those creditors and a representative of the three railroads—the Canada Southern, Chicago and Canada Southern, and Toledo, Canada Southern and Detroit—whose notes the Kenyon Cox partners had endorsed. By legal means, he was out now to either extract a settlement from Drew or force him into bankruptcy.

For Uncle Daniel, this lawsuit put a cutting edge to things. Worse still, although he had only a two-fifths interest in the partnership, he would have to bear the brunt of the settlement. So while the market, depressed further by the news of the lawsuit, kept on going down, attorneys conferred, and Scott demanded a list of his assets. From memory, the old man dictated a list to a clerk and sent it on. When the case came up in federal court October 18, counsel on both sides agreed to a week's delay, as negotiations were in progress. Two more delays followed, then on November 8 it was announced that the case had been settled, and the proceedings were dropped. A week later the settlement was made public, and the world learned what it had cost Uncle Daniel to avoid bankruptcy.

The settlement had been effected by two documents signed on October 28. The first was an assignment by Drew's three partners to Scott of all the firm's real and personal estate, to be sold by Scott under stated circumstances in order to realize the creditors' claims. No creditor was

to sue Drew for any claim against the firm for eighteen months, nor was the assignee to bring any action against him unless he defaulted in the attached guarantee. Sixty-one creditors signed the agreement.

Accompanying this assignment was a second document signed by Drew, whereby he promised to pay Scott any portion of the firm's debts over and above the amount realized under the assignment, up to half a million dollars, half of the sum to be paid in a year's time and the rest in eighteen months. As security for his half-million-dollar guarantee, Drew was to deliver to a trustee—David Dows, a New York broker and railroad man—assets evaluated at that amount, including eight mortgages that he held on the property of other individuals, 4,000 shares of Canton, and six mortgages that he now made on property of his own: 130 acres adjoining the seminary in New Jersey, one stock farm in Westchester County, and four in Putnam. Should Drew default on his guarantee, any or all of this property was to be sold by Dows at public auction, the proceeds to be delivered to Scott.

Before this complicated agreement could be implemented, the mortgages had to be signed not only by Drew but also by his bedridden wife. How much she grasped of it all is uncertain, but having recently signed four mortgages on her home, and now being asked to sign six more on every scrap of land remaining to her husband, she balked. Drew coaxed and argued, promising in compensation to give her legal possession of the house, its furnishings, and their horses and carriages, and so at last she made her mark. (Being partially paralyzed, she had reverted to her X.)

So the Old Bear bought himself a respite of from twelve to eighteen months. Meanwhile Stephen H. Alden, a dealer in puts and calls, was suing him for misrepresenting Quicksilver stock, demanding to be reimbursed for a market loss of \$202,000. Then Ernst Biedermann and his partner brought a similar suit, charging that Drew had fraudulently unloaded Canton stock on Biedermann & Company, for which they demanded \$1 million plus interest. To make matters worse, the *Tribune* played up both actions as a warning to investors, while the Boody suit over the pool in Wabash was continuing, and the Carmel paper reported in great detail the agreements with Scott, so that all the home folks knew of his predicament. Well, he must have reasoned, it's the sick heifer that the hounds will go for.

In the market, Wabash stock had recently touched below 35—just half its price in early September; Drew had long since been sold out by his brokers at a loss. At the Wabash election in Toledo on October 1, Kenyon Cox and the Canada Southern men had been reelected, but not Drew, while William L. Scott had joined the board. Gone forever was the grandiose dream of combining five or six or nine railroads in order to

forge a new route to the West. Both the Wabash and the Canada Southern were now fighting for their financial survival.

Throughout the fall and early winter the Canada Southern board held a series of meetings in New York, but the Old Bear, who in any event was still unwell, kept shy of them. As of December 1, Canada Southern trains at last began operating over the International Bridge at Buffalo, inaugurating through service between Buffalo and Detroit. But with business shrinking in the wake of the panic, the company faced meager earnings and the possibility of default on its bonds in January, so it was readying a proposal for the bondholders. At a meeting on January 15, 1874, Milton Courtright stepped down as president and Drew resigned from the board in absentia, while the inescapable Scott rejoined it. Although Drew clung for a while to his Canada Southern securities, in time he sold them, too—for a loss, combined with the Wabash stock, of about one million dollars. So ended his one great bullish venture, involving a railroad on whose tracks he had probably never laid eyes.

The bubble had burst, and the Flash Age was dead. It was as dead as Jim Fisk, who when his carriages had been auctioned off and his huge debts paid, left his widow only a bare million; as dead as the prestige of Boss Tweed, scapegoat for the sins of hundreds, who that same grim November was convicted on 204 counts of an indictment and would finally die in prison; as dead as the thriving high times of Justice George C. Barnard, who with two other Tammany magistrates had already been impeached and allowed to resign. Gone were the easy old corruptions, to be replaced by new ones; gone was a whole generation of dream merchants, con men, and connivers, swept away by the twin tides of ruin and reform. Shackled with debts, Uncle Daniel faced a new, bleak age. The country was in the throes of a depression. It would last six years.



The Last Great Caper

In December 1873 Wall Street heard that Daniel Drew was again seriously ill, and then, that he was dying. To confirm the rumor, the *Times* sent a reporter to interview Dr. Jared Linsly, Drew's personal physician for nearly forty years. The report, said Dr. Linsly, was nonsense. His patient was improving steadily, could be up most of the day, and would soon be riding out in his carriage. Contrary to rumor, Linsly added, his patient's indisposition in no way resulted from the recent financial troubles.

So Uncle Daniel was seen again on Wall Street. Still, at seventy-six his health was not what it had once been. Throughout 1874 he was intermittently ailing, which, combined with his losses in the panic, caused him to lie low in the market. With himself often indisposed and his wife an invalid, it might have been a somber household had not children and grandchildren come for lengthy visits in the winter. That spring Bill's wife Clara was there for her confinement, and on May 7 she gave birth to a daughter, Catharine. This child was doubly welcome in that the couple's firstborn, Daniel, had died there in infancy in February of the previous year. Catharine was the Drew's ninth grandchild.

By late winter the old man was able to get out again. On February 25 he presided at the annual Quicksilver meeting, where he reported the company's financial condition much improved. His son Bill joined the board, and he himself was reelected president. In May, however, he was ailing, so he sent his son in his place to attend the yearly meeting of the seminary board at Madison on the twentieth. Of course they made the old man president again. Meanwhile Roxanna, in spite of her bedridden state, likewise continued as president of the McClintock Associa-

tion, a Methodist ladies' organization providing financial aid to needy theology students. Moving Roxanna now was a problem, so that in late August, when they went to Putnam County as usual, their party of four made exclusive use of Cornelius Vanderbilt's private railway carriage, no doubt with a bed installed for the invalid.

The nation too was ailing, with multitudes prostrated by unemployment, poverty, and despair. Railroad construction had ceased, finances were in confusion, old managements were retiring, and new faces were coming in. In Boston on March 11, 1874, Jay Gould and several friends became directors of the troubled Union Pacific, while the indestructible Vanderbilt, having saved the Lake Shore line in the panic, was flinging himself with gusto into the rate wars that would preoccupy him for the rest of his life.

As a casualty of the panic, a "lame duck" in the parlance of Wall Street, Uncle Daniel had no share in these mighty doings. Although smarting from losses, he may have considered himself well out of it as his favorites of yesterday, Canada Southern and Wabash, foundered in debt and disarray. As for the two large holdings that remained to him, Quicksilver was prospering and Canton, thanks to the revenues of the Union Railroad, was weathering the storm. By spring, however, the quartet of granddaughters were back after him about that sacred trust. Since declining real estate values had eroded the security that the four mortgages on his home provided, they wanted that security increased. He could not refuse, but what did he have left to offer them? On June 12, 1874, he deposited with a trust company his 9,200 shares of stock in the New Jersey Steamboat Company, a controlling interest in the People's Line; his fortune was flaking away.

He could not let it happen. He had to get money—tens and hundreds of thousands—to settle the sacred trust, pay off his daughter (whom he also owed from the estate), give the seminary its quarter-million endowment, and save his farms from foreclosures. Besides, as his health improved, he yearned for action. Not just for a few little gambles like the puts in Canton that he sold in December and January, but millions at stake, the Street stood on its ear. He was going back big in the market.

When Drew returned to Wall Street in February 1875, the stock market had been stagnant for a year and a quarter. Going back as a bear, he sniffed out those companies that smelled ripe for receivership—Northwestern, Union Pacific, Western Union, and Wabash—all of which he shorted heavily. Wabash especially seemed vulnerable, having defaulted on its bonds and passed into receivership, so he sold vast quantities of calls in it, certain that its depressed price—it was selling around 11—would be whittled down to nothing.

On March 1, 1875, the stock market sprang to life as Pacific Mail

soared three points and as Union Pacific and Western Union advanced a point and a half each. Wall Street was electrified, Drew was stunned, and Gould emerged as king of the bulls. On the very next day Gould, master already of the Union Pacific, gained control of the railroad's arch rival, the Pacific Mail Steamship Company, whose bitter competition with the railroad he vowed to transform into a lucrative harmony. This bold move sent Pacific Mail stock leaping ahead another two points. Thereafter, while solid investment issues like the Vanderbilt stocks languished, a select group of depressed fancies—Pacific Mail, Union Pacific, Western Union, Northwestern, and Erie—surged ahead. For the first time in months, Wall Street was an exciting place to be.

But was this advance to be trusted? Both Pacific Mail and Union Pacific had been tainted by scandal, while Erie had yet to recover from years of mismanagement. Indeed, could any market move spearheaded by the sinister Gould be more than a speculative ploy? Yes, insisted much of the press, asserting that the nation was on the verge of a spring recovery: once the severe winter receded, trade would pick up, railroad earnings rise, factories reopen, and unemployment drop. Especially fervent on the subject were the *Times* and *Tribune*, which certain competitors accused of complicity with Gould.

Fueled by hopes of recovery, the boom in the stock market was cheered by nearly everyone; to decry it seemed unpatriotic. Yet on Wall Street such perversity existed, and worse. On March 3 and 4 large amounts of gold were suddenly withdrawn from the market, so that the price surged to 115, while the rate for call loans—the loans that banks made to brokers—soared briefly and then fell back again, leaving the stock market feverish and unsettled. Clearly, someone was engineering a lockup of gold designed to reduce bank reserves so that the banks would have to call in their loans to brokers, forcing operators to sell heavily and depress the stock market. The chief culprits were identified as a prominent New York banker on the board of an important Western railroad and a venerable churchgoing speculator whose kindly advice to fellow operators had been known to speed them to ruin.

It was true: caught disastrously short of the market, Uncle Daniel had resolved to extricate himself by effecting a lockup of gold, and to this end formed a pool with Eugene N. Robinson, his chief broker, and with the financier Russell Sage. Robinson was a modest, cool young man still under thirty but already worth several million dollars, who on his own responsibility in 1873 sold out his customers' accounts before the panic and saved them from fearful losses. Sage was a well-known Wall Street speculator who had served in Congress in the 1850s and was now a bank officer and vice-president of the Chicago, Milwaukee and St. Paul Railroad, in whose stock he speculated much as Drew had once done in Erie.

He joined Drew because he also found himself caught short of the market in the sudden advance promoted by Gould, with whom he had a score to settle anyway, since Gould had ousted him as president of Pacific Mail.

What Drew and his allies had in mind was a medium-sized corner and panic, a lockup of just enough gold to make money tight, flatten the stock market, and extort high interest rates for gold, without keeping the gold price up so long as to bring vast hoards of it flowing to New York from elsewhere. The whole scheme was based on a set of minute calculations: how much gold had been sold short by speculators; how much of it importers and exporters needed for the demands of their business; and how much was available from California and abroad. Initially, the three allies agreed to buy \$6 million of gold, with Drew and Robinson acting through a joint account established with Robinson's firm, while Sage operated independently.

On March 3 and 4 the three partners, having made further short sales of stock, suddenly called in all their loans. Meanwhile Sage's bank did the same, while Drew negotiated loans on his Canton and Quicksilver stock, and the partners bought their \$6 million of gold, which they then borrowed on from Sage's bank and other lenders in order suddenly to make both gold and money scarce in the market. As a result, the price of gold in the Gold Room climbed at once to 115, while money rates and the loan rate for gold also surged.

But the manipulators had miscalculated. Much money lay idle in the uptown banks, so when the money rates on Wall Street rose, it flowed there to give brokers all the loans they needed, bringing the rates back down again. As for the higher loan rates for gold, since no speculators were short of gold at the time, importers who needed gold bore the full brunt of the squeeze, but even this proved temporary as gold came in promptly from Canada. Meanwhile stocks were just as buoyant as ever, on hopes of a reviving spring trade. So far, then, the squeeze was a fizzle. Russell Sage informed Drew that he would not buy any more gold.

Drew and Robinson shrugged off this faintheartedness and in a single day, March 7, bought \$4 million more of gold. Thereafter, however, money still refused to get tight, while stocks kept on advancing. The conspirators had now acquired \$11 million of gold, of which they held five off the market, while loaning out the remaining six in day-to-day loans in the Gold Room at varying rates determined by themselves. By March 16 gold was at 116½. With further hikes doubtless in the offing, the foreign exchange market was disrupted, importers were distressed, and trade impeded. When a *Times* reporter sought Drew out at Robinson, Chase & Company in Broad Street and questioned him point-blank, the old man responded at length:

My boy, I've really no interest in this thing. Some folks say I'm the leader of a pool, but I hain't anything to do with it. I almost never have any gold, and at the present time don't own a dollar of it. It's all folly; why don't they let me alone? I'm trying to run along pleasantly with everybody in the Street. But I can't. First the bulls charge me with being a bear, and then the bears say I'm a bull. They shouldn't orter. I'm only trying to make a few dollars in a quiet, easy way, and would like to do it without being bothered. Here's my brokers. They'll tell you I hain't anything to do with the thing—ask 'em—I won't keep them from telling the truth. They know all about me.¹

Then on Friday the nineteenth, to the surprise of everyone, gold declined slightly on heavy sales in the Gold Room, mostly on the part of the clique. The other Gold Room brokers were mystified. Had the clique members broken ranks, or was this a "scoop" designed to lure traders into selling short, then raise the price and trap them? So secret were the pool's operations that even the shrewdest observers were baffled, and they remained so over the next few days as the price fell below 116. By now, there were whispers of a betrayal in the clique.

The whispers were true: Russell Sage had decided to get out. Finding gold and money still available, stocks buoyant, and himself being called unpleasant names, he wanted out, and accordingly had double-crossed his partners. From the nineteenth on, he had been selling gold in the Gold Room while secretly covering his shorts and going long of the stock market. When they discovered this, Drew and Robinson acted quickly to absorb Sage's \$2 million of gold, maneuvering so adroitly that for two days no one was aware of their action. The partners' revised opinion of Sage they likewise kept to themselves. When a *Times* reporter saw Uncle Daniel in Robinson, Chase & Company's office on the nineteenth, he was unconcernedly reading a *Times* account of the spring freshets on the Delaware, where the breakup of an ice gorge had carried away some culverts on the Erie line. Removing his spectacles, the ex-director of Erie remarked, "This yere ice george's washed away all the culprits along the Ayrie road"—a comment that the *Times* thought too priceless not to publish.²

Having taken Sage's \$2 million into their own joint account, Drew and Robinson continued to buy gold. But even as they called the tune in the Gold Room, Gould was having his way at the Stock Exchange, where day after day prices were surging on huge volume amid the wildest excitement. What was the good of putting gold to 116 or even 120, if one's short position in stocks became more perilous by the day and the hour?

At this point Eugene Robinson suddenly learned that his partner had deceived him regarding his position in the market. Perhaps Uncle Dan-

iel too had been secretly dumping some gold, or perhaps Robinson had got wind of a lengthy conference between Drew and Gould in a broker's office on the morning of March 23, which had probably resulted in a compromise settlement of Drew's short position in Northwestern or some other stock. At any rate, Robinson confronted Drew at once, demanding that their joint account in gold be closed. Uncle Daniel remonstrated, calling him "sonny" and cajoling him as only he knew how, but Robinson remained adamant. So the joint account was closed with a profit, and Robinson transferred \$11 million in gold to a new account that Drew opened for himself. Robinson wanted no more of the gold squeeze, but against his advice Drew persisted. So secret were these transactions that Wall Street never got word.

Even as the gold was transferred, stocks were spurting upward. On Holy Saturday, March 27, Union Pacific reached 61¼—a rise of over twenty points in a month. Gold was at 116, but who cared? Late that afternoon jubilant young speculators who had recently been lunching on a sandwich and a mug of beer, packed into Delmonico's on Fourteenth Street to dine sumptuously and sip fine wines, then scattered to the theaters, only to reassemble later at Delmonico's and other elegant establishments, celebrating well past midnight the resurrection not of Christ but of Wall Street. As for Uncle Daniel, whatever time he could subtract from his devotions on Easter Sunday he gave over to reflections on the market and the folly of trying to buck Gould and prosperity. Like it or not, the gold squeeze was a bust.

On Monday March 29, stocks opened strong, then fell back on news that gold had risen to 116¾. Meanwhile Drew's brokers withdrew another \$5 million of gold from the market, boosting the loan rate for gold to 1 percent a day, or an astounding yearly rate of 365 percent. Immediately gold surged to 117, one brokerage firm failed, and after violent fluctuations stocks closed feverish and weak. Marshaling all his resources, Uncle Daniel had put gold up as far as he could; now it was time to slide out.

On Tuesday the thirtieth, Wall Street was more excited than at any time since the panic, as throughout the day prices rose and fell in a frenzied and mysterious confusion. Clearly something big was afoot, although no one quite knew what. In the Gold Room gold opened at 116⅞, then plummeted as vast quantities of it, some said a good \$10 million, were sold out, mostly by the brokers of Daniel Drew. Was this the end of the squeeze or another "scoop" to trap the unwary? Some holders of Drew's puts in gold leaped at the chance to buy it cheap and sell it to him dear, but when they looked for him, he was nowhere to be found.

Yes, where was Ursa Major? Others were looking for him, too—hold-

ers of the calls in Wabash that he had sold so freely in February, when the company had passed into receivership. Lately the stock had surged on vague rumors of a new transcontinental connection, and many call holders had demanded the stock from Drew, who had honored every contract. Others, however, had held out for higher prices, then demanded delivery of the stock for the thirtieth. But now, when they flocked to Robinson, Chase & Company in Broad street, just across from the Stock Exchange, they were informed that Mr. Drew was taken ill at home and had given no instructions with regard to his contracts. Anxiety gripped the holders of the calls, many of whom were counting on the stock to fulfill obligations of their own. Suddenly Uncle Daniel's health was worth more than diamonds and pearls to them. But was he really sick, too sick to even forward instructions? It smelled fishy.

At this point Dickerson & Company, another firm with which Drew occasionally did business, received a telegram confirming that Drew was too ill to come to the Street and asking them to notify Robinson, Chase & Company, his regular brokers, that they should attend to his contracts. When news of this curiously roundabout way of sending instructions leaked out, it disconcerted the call holders. Then Robinson, Chase & Company announced that they would not recognize the authority of orders addressed to a third party. Only instructions addressed to them in Drew's own handwriting would do, they said, to obtain which they had dispatched a messenger uptown.

It was now close to 2:15 P.M., the deadline for settling the day's obligations. In panicky confusion the call holders rushed across the street to the exchange, spreading reports that Drew was either ill or faking it, that he had welshed on his contracts, and that he had ditched his partners in the gold pool and was up to all kinds of tricks. Stocks broke on the news, but Wabash soared to 18 on heavy volume as the call holders had the stock bought in for Drew's account. Hysteria also reigned in the Gold Room, where in the wake of Drew's massive unloading, gold closed at 115. The bears were jubilant and the bulls dismayed, until it occurred to the latter that Drew's defaulting on his contracts would put the call holders short of stocks, at which point the stock market rallied. Thanks to Uncle Daniel, the day had been a stunner.

Late in the afternoon Robinson, Chase & Company received a telegram from Drew, announcing that he would come down to the Street tomorrow and see to his contracts himself. Those bruised by the sudden selloff were cynical: of course he'll come, they said, now that the harm has been done. All that afternoon and evening the prime topic of conversation among Wall Streeters was Drew and his alleged ill health; never had the Old Bear been denounced so roundly. Yet a few noted that a sudden drop in the price of quicksilver in San Francisco could in itself

have made a man of his years genuinely ill. Some also argued that if he "laid down" on his contracts, no one would ever buy his privileges again, to which others replied sourly that the whole affair must grieve him terribly, since he had always insisted that he "never did like to catch the boys nohow."³ In everybody's mind loomed the question, would the old man show the next day?

At exactly 9:31 A.M. on Wednesday March 31, Daniel Drew stepped out of a carriage in Broad Street and entered the offices of Robinson, Chase & Company. Word spread fast. As the brokers arrived at their offices, their clerks passed on the news. By 10:00 A.M. the galleries of the Stock Exchange and the Gold Room were packed with visitors, while excited brokers assembled on the floor. At the exchange, a representative of Robinson, Chase & Company quietly informed the gathering crowd that Mr. Drew was down today and would honor all his engagements. Wall Street breathed a sigh of relief; stocks rose and gold declined in quiet trading. Meanwhile at 18 Broad Street a much-discussed old gentleman was receiving a stream of visitors, each with a contract in his hand.

Commenting on Uncle Daniel's return, the *Herald* pictured him as looking "fresh and rosy," and the *Sun*, as smiling benevolently, his eyes sparkling with their wonted brilliancy. The *Evening Post*, on the other hand, observed that it was not beyond reason that a man pushing eighty should be indisposed for a day and even neglect his obligations—especially obligations falling due at no fixed time—but only the *Daily Graphic* sent a reporter to see this maker and shaker of markets for himself. What he saw at 10:30 that morning, in an inner office at 18 Broad Street, was an old man sitting in a big leather-bottomed whitewood chair, clinging nervously to its arms, a low-crowned hat on his head, his face flushed and scowling, his body shrunken up within the wrinkles of his clothes. Eugene Robinson introduced the reporter to Drew.

As the old gentleman turned and tipped his head slightly he retreated into the further corner of his chair, as if on his guard, and kept his eyes warily fixed on his visitor.

"I called, Mr. Drew, to talk to you about the prospects in the Street today."

"The Street is all right," he replied quickly, and then added after a pause, as if it had just occurred to him, "and I'm all right."

"Mr. Drew, are you—"

Mr. Drew began to move slowly around in his chair, and Mr. Robinson came quickly to the rescue.

"Really, sir," said Mr. Robinson, "all there is to be said is that Mr. Drew was confined to his house yesterday, and without orders we

could not attend to his engagements. Now that Mr. Drew has given us instructions, we are doing so."

"Yes," said Mr. Drew. "I'm all right."

But the reporter would not let it go at that.

"You saw, Mr. Drew, those statements in two of the morning papers against you?"

"No, I ain't seen no papers."

"Would you like to see them?" And the caller offered to produce the papers in question from his pocket.

Mr. Drew let go his hold on the left chair arm long enough to raise his thin hand in deprecation, while his face was contorted as if he had just taken a bitter medical potion. At this point a gentleman present suggested that the statements referred to were attacks inspired by Jay Gould.

"I s'pose so," said Mr. Drew, as he shook hands with his visitor. Three seconds later he was deep in the mysteries of the financial situation, whither he was accompanied by Mr. Robinson.⁴

The financial mysteries that claimed him were his contracts in Wabash and gold, settling which would cost him tens of thousands of dollars. Although the gold squeeze was at an end, the press would long remember him as a gambler who had obstructed the commerce of the nation, while much of Wall Street clung to its conviction that by settling one day late he had probably avoided far greater losses.

March had been a cruel month for Uncle Daniel; April and May would be crueler. When he closed out his once profitable gold account with Robinson, Chase & Company on April 26, it showed a loss of close to eighty thousand dollars. But a worse disaster awaited him in Wabash, where his vast short position had been only partially liquidated by his settlement of the calls in late March. In the bullish market of April, this vulnerable stock traded up to just above 16, threatening Drew with a huge loss if he settled his contracts now, but an even huger one if it continued to advance. His brokers—he had at least three or four—reflected that the old man's prestige was tattered, his credit shaky, his reputation for treachery unimpaired. They demanded more margin, but he had none to offer. Therefore, each acting on his own, they bought the stock in for him and settled his contracts at a loss. Soon afterward, in mid-May, Wabash sank below 10 on expectations of an ultimate foreclosure. So the Old Bear had been right after all: the company was rotten, the stock could only go down. But for him it was too late. His total losses

in Wabash came to \$1.2 million, a calamity from which he could not recover.

Lake Shore was next. In desperation—from March 29 on, just as he was getting out of gold—he switched to the bull side of the market, buying Lake Shore and selling puts in it at 70, in effect betting that Lake Shore would stay at or above this figure for months. This seemed safe since as a Vanderbilt stock it would presumably be supported by the Commodore. But in mid-May the business outlook darkened. Trade remained obstinately sluggish, while the great trunk lines fought their rate war more bitterly than ever, causing Erie to slip into receivership at last. Immediately public confidence in the railroads dwindled, stocks turned down, and Lake Shore plunged to 60, as word spread that Gould was attacking it.

Jay Gould attacking Lake Shore? The news stunned Drew and the bulls. Yes, that *enfant terrible* of the Street was now telling everyone that rail stocks were overpriced and shaky, that a revival of trade seemed unlikely, and that the panic had yet to play itself out. Needless to say, Mephistopheles had leaped nimbly to the bear side of the market and was reaping vast profits while the befuddled bulls were overwhelmed with losses. So much for the great boom in stocks and for the nation's long-awaited recovery.

But what was Vanderbilt doing? Some said that he had lost all interest in the market, others that he would trample the attacker yet, still others that not even he could sustain a stock against Gould.

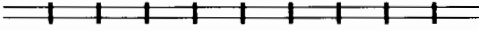
"But where is Drew all this time?" a reporter asked some operators on May 28. "Oh, he has drawn out," was the answer. "Has he retired with a big pile, or is he crippled?" "You can bet the old man is badly hurt. Count him out."⁵

It was true that for this clash of titans, Uncle Daniel no longer qualified. Sold out by his brokers, he had lost in Lake Shore, too, in the amount of about four hundred thousand. Twice now in the spring of 1875, first as a bear and then as a bull, he had committed the costliest of errors by playing the opposite side of the market from Gould.

Little was left to him but Canton and Quicksilver. Eugene Robinson no longer held them, for after mutual recriminations—Robinson thought Drew wrongheaded and deceitful, while Drew blamed Robinson for selling out certain of his holdings—they agreed to a parting of the ways. On May 22 Robinson's firm delivered the old man's Quicksilver to Boyd, Vincent & Company, and his Canton and other securities to S.W. Boocock & Company, closing out the account. Meanwhile Robinson himself was off with other Wall Streeters on a tour of the Ozarks and the Kansas plains in a luxurious palace car as a guest, amid champagne feasts and euchre games, of the Atlantic and Pacific Railroad Company. But Uncle

Daniel stayed home to face the music, the death march of his last speculations. Three different brokerage houses now held his stocks as margin. He owed them all money, and the market, under the fierce poundings of Gould, was going down. One after another they sold him out. First the Canton stock went, for a loss of up to four hundred thousand, and then the Quicksilver—down sharply because the price of quicksilver had declined in California—for the last and greatest loss of all, his *coup de grâce* in the market.

March and April had been an unrelieved affliction for the Old Bear, and May an agony; in June he gave up the ghost. On June 3, at a special meeting of the Quicksilver board, he resigned as president and director, and his son as director; Vice-President A. B. Baylis, a Vanderbilt associate, succeeded him and promised a more active management. On June 10 his account with Boyd, Vincent & Company, still held in his son's name, was closed. His other accounts were closed as well, and his few remaining securities were delivered to him. Wall Streeters and journalists, being preoccupied with the rate wars of the railroad kings and the prestidigitations of Gould, hardly noticed, but for the first time in nearly forty years, Drew was completely out of the Street. It all happened so fast that it dazed him: he was wiped out.



Bankruptcy

“**Y**ou must get out of this thing and not go into bankruptcy!” Drew’s son Bill told him.¹ The old man agreed, vowing never to declare himself a bankrupt. Keeping his father solvent was now the absorbing responsibility of William H. Drew. In the 1860s Drew’s son had lived contentedly as a gentleman farmer in Putnam County, routinely seconding the old man on the seminary board but otherwise showing little interest in his affairs. Now, however, the young man rallied to his father with a great show of loyalty and support, as well as a surprising capacity for business. It was on Bill’s energy, determination, and money that his father relied in his desperate efforts to prop up the tottering edifice of his fortune.

Their first concern was Scott, the financial nemesis who as assignee of Kenyon Cox & Company had disposed of the firm’s assets to satisfy its creditors, but still demanded \$295,000. Drew was liable for this entire sum, and since he failed to pay it within the period stipulated, Scott directed David Dows, the trustee, to sell Drew’s mortgaged farms and certain other property at public auction. The sale was announced for June 24, 1875. But with real estate values depressed, Drew’s son argued that the sale should at least be postponed, in hopes that prices would recover and the sale extinguish more of the debt. Accordingly, they intervened with Scott, promising to deliver more security. So the sale was put off, Drew handed over one hundred bonds of the Union and Titusville Railroad (a company already in receivership), and Scott agreed not to sell any more of Drew’s property before January 7, 1876.

The sacred trusts claimed their attention as well. The semiannual

July interest on the granddaughters' estate and on the endowment promissory notes of the seminary and Wesleyan University were obligations on which the old man simply could not default. So he gave some of his little remaining Canton stock to Bill, who sold it and paid out the interest. But while he had given his daughter some bonds through Bill, he still owed her a third of what was due her under her second husband's will.

As for the nonsacred debts, what of them? What of the damages due Azariah Boody, following a court-ordered accounting of the transactions of the Wabash pool of 1872? Drew could only negotiate a settlement with Boody, signing four promissory notes on July 1, 1875, for a total of \$20,000 plus 7 percent interest. And what of his puts and calls? On July 20 a Wall Street operator named David Van Emburg, holding a put of his for a thousand shares of Lake Shore at 70, tendered the stock and when he failed to find Drew on the Street, sold it for Drew's account and sued him for \$9,375. This meant more litigation and another likely loss. Of the other privileges still out, some could be made due at the buyer's option to bring him further debts. In addition there were the architects' bills from the seminary and the female institute, certain old steamboat claims against him still in litigation, lawyers' fees, and his taxes. Bill could pay a little here, a little there, compromise this, and postpone that, but for how long?

At the same time there was a steamboat line to run. The old man had no time for it and had not seen a boat all year, relying for this as well on his son. In early March of 1875 William H. Drew had become vice-president and superintendent of the People's Line, in which capacity he closely supervised the annual refitting of the boats, including the introduction of steam heat in all the staterooms, at a cost of \$115,000 in all. If Bill worked hard at the People's Line—he would kill himself, his father warned him—there was good reason, for the unsquelchable J.W. Hancox was up to his old tricks again. Ousted from the Troy run by the newly organized Citizens' Line, in 1874 Hancox had returned to the Hudson with the Merchants' Line, comprising but a single boat, the eleven-year-old *J.B. Schuyler*, skippered by his son Clement. One rainy night in Albany Clem Hancox flagged an approaching train to a halt, waved the passengers through the darkness to his boat, and made off with the whole trainload for New York before they realized they were not aboard the elegant *Dean Richmond*. On other occasions the *J.B. Schuyler* carried a band that struck up as it pulled alongside a rival, luring the rival's passengers to the rail, so that the other boat listed with one paddle wheel out of the water and lost speed, while the *J.B. Schuyler* raced ahead. To counter this stratagem, the People's Line at first lifted their boats' safety valves to create a screeching racket and then installed bands of their

own. Finally in July 1875 the People's Line and the Citizens' Line bought Hancox off their routes, following which Hancox ran his vessel as an excursion boat for years. It was the last flare-up of old-time opposition on the river, but Daniel Drew was out of it.

One other incident marked William H. Drew's coming to the People's Line. In assuming the duties of vice-president, he replaced Capt. Alanson P. St. John, who, aged seventy-seven and suffering from ill health, had been forcibly retired by the board. St. John was one of the original founders of the People's Line, whose daily affairs he had run since Isaac Newton's death in 1858. Now, after over forty years his career was at an end; at times he seemed depressed. On the afternoon of April 23, 1875, he came from his home in New Jersey to inspect his favorite boat, the *St. John*, then undergoing repairs at the foot of Nineteenth Street. Chatting on the deck with the first mate, the retired skipper seemed in the best of health and spirits, following which he entered the steward's room alone. Five minutes later a shot rang out. Rushing inside the cabin, the workmen found the captain sprawled dead in an easy chair, a smoking revolver clasped in one hand, his features as composed as in sleep. The coroner's verdict was suicide "while laboring under temporary aberration of mind." Some attributed his depression to ill health, but others knew better: he could not live away from the river. For Daniel Drew it meant another old comrade gone. Who was left now but Vanderbilt?

Knowing that, thanks to Bill, the People's Line was maintaining its reputation on the river, brought the old man scant relief. His bedridden wife was dying, his own health was poor, his problems would not go away. In a time of depressed and still declining values, no security deposited by him ever seemed enough. The granddaughters tried to sell his steamboat stock, but nobody wanted it, so in November he handed over more stocks and bonds as a further guarantee of the \$344,000 that he owed them. As for the Kenyon Cox & Company debts, having never received a penny from his partners, he was now out of devices to buy more time. On December 1 he signed an agreement permitting Scott and Dows to sell all the land and securities that he had given them; his long fight to save the farms had failed. Then in December two twelve-month puts in Canton were tendered by the holders, bringing him further losses; another would be tendered in January. Meanwhile he learned that the directors of the Canada Southern Railway, being desperate for money and unable to market more bonds, had acquiesced in the Commodore's acquisition of the road, so that another Drew egg ended in a Vanderbilt basket. If further irony were needed, he surely also heard of the recent dedication in Nashville of Vanderbilt University, a Meth-

odist institution that the Commodore, newly beneficent under his wife's influence, endowed with a half million dollars.

It was a bleak New Year's. For the first time, he failed to pay the granddaughters their interest. And when Dr. John Fletcher Hurst, the president of Drew Theological Seminary, called on him at his home in December to pick up the check for the interest due on the endowment, Drew informed him that this was the last check he could give. Hurst looked Drew straight in the eye. "Mr. Drew, the report of such a failure as this will go around the world." "I know it," said Drew, "I have thought of it, but I can't help it."² And so the worst had come to pass. Or had it?

On January 27, 1876, Roxanna Drew died at the age of seventy-seven. Since she had long been an invalid without hope of recovery, her husband of fifty-five years must have seen her death as a release. On Sunday the thirtieth, a special train made up of the New York Central funeral car "Woodlawn" and the palace car "Duchess" took friends and family to Brewster, where a large throng attended the services at the local Methodist church, following which the cortege proceeded to the Drew Cemetery three miles south of town, where she was laid to rest with her husband's family. Throughout the ceremonies Daniel appeared quite feeble, walking to and from his carriage with difficulty, but at least he had buried her in style. Hers had been a quiet domestic existence, duly pious and charitable, completely conventional, almost unnoticeable. Her will, leaving her family gilt and turquoise vases, diamond rings, and silk and velvet dresses, was the will of a wealthy woman. Perhaps, in dying, she still thought of her husband as affluent.

On February 17 the seminary trustees met in special session in New York in the office of Judge E. L. Fancher, with Bishop Janes presiding in the founder's absence. Dr. Hurst recounted Drew's dismaying announcement of the previous December, and another trustee reported that he and Hurst had had a lengthy interview that very morning with Drew, who urged them to make other arrangements. Hurst produced Drew's promissory note of 1868 for \$250,000 and the secretary read it to the board. It was payable on demand, but demanding, it appeared, would get them nothing. Their dilemma was vast.

Even though Drew's actual expenses to date on the seminary totaled \$452,000, charity at first did not prevail. The board named a three-man committee "to take such proceedings, legal or otherwise, as in their judgment are judicious and necessary for the purpose of recovering the amount of the Note." The seminary's legal documents and papers were left with Judge Fancher, who was to inform Brother Drew of the board's action and confer with him. A resolution was framed for Fancher to present to the founder. It concluded: "Resolved: That we deeply sympathize

with Mr. Drew in his present financial embarrassments, and thank him sincerely for what he has done for the cause of sound theological training in our Church, in founding the Seminary at Madison. And we at the same time express the ardent hope that he may still find it in his power to consummate all his arrangements for the establishment on a firm financial basis of the Institution that bears his name.”³ Clearly, the trustees were not about to let him off the hook. Moreover, Wesleyan University was surely in touch with them, since at a meeting of the executive committee of the university’s board of trustees, held just four days later, a similar decision was made regarding Drew’s promissory note for \$100,000, which amount they determined to secure by “proceedings legal or otherwise.”⁴ Money, after all, was money.

Blow fell upon blow. His fortune was gone, his wife had died, and now men on whom he had showered beneficence were threatening to join the litigants already at his heels. His life had become a vicious round of lawsuits and mortgages, summonses and show-cause orders, fresh due bills and decade-old complaints. By late February his will caved in: he would declare bankruptcy.

On Saturday March 11, he and his attorney Alvin Burt filled out the petition in bankruptcy. In the total absence of account books and memoranda, the old man reached into his memory and fetched up a long list of debts and assets that were later confirmed as remarkably correct. As they completed page after page, to each he added his assenting scrawl, “D. Drew.” The list of creditors was formidable. He owed the city \$8,000 in property taxes; the granddaughters \$344,000; Scott and the Kenyon Cox creditors \$295,000; the seminary and the university \$250,000 and \$100,000 respectively; and various brokers, architects, and litigants some smaller sums, for a grand total in liabilities of \$1,093,524.82. As his estate he listed his mortgaged real estate, the securities deposited in trust for his granddaughters, and other items, giving total assets of \$746,459.46, which was a somewhat illusory figure, since it included unrealizable items like a claim against his Kenyon Cox partners for sums paid by him to discharge their debts.

Burt filed the petition in the clerk’s office of the federal bankruptcy court that very afternoon. At the same time, he or a colleague saw to another little matter. Drew’s sale to his son of his mortgaged Union Square residence in September 1873—part of his attempt to keep property from the Kenyon Cox creditors—had never been recorded, nor had the son’s resale of the residence to his mother in January 1874. Accordingly, both deeds were now recorded at the county clerk’s office, the more recent one “at the request of Roxanna Drew,” who had been dead for a month and a half.

Word spread fast that one of Wall Street’s most famous operators had

filed for bankruptcy. When a *Times* reporter called, Drew estimated his total liabilities, optimistically, at about \$600,000 and said that he hoped and believed his creditors could be satisfied. On Monday March 13, Drew's counsel attended a preliminary hearing held by Isaiah T. Williams, a register in bankruptcy, who formally declared Drew a bankrupt and issued a certificate of protection freeing the old man from his creditors' importunings at last.

"Not a very brilliant end to thirty years of stock-jobbing," remarked a Monday editorial in the *Times*. A *Sun* reporter interviewed the bankrupt, who chatted affably of his misfortunes, insisting that his assets would satisfy his creditors. Less rosy were the predictions on Wall Street, where the long-expected bankruptcy provoked not even a flurry in the market, scant sympathy, but much gossip. Brokers marveled not that the old man had failed, but rather that, being a speculator, he had kept his money as long as he had.

When the bankrupt's schedule appeared in the papers, much comment greeted the entries under "Wearing Apparel and Ornaments of the Person" and "Books": one gold watch and chain, valued at \$150; one sealskin coat, valued at \$150; ordinary wearing apparel, valued at \$100; and one Bible, several hymn books, and other family books, amounting to \$130—all items that he asked to have exempted. The sealskin coat was famous, for Eugene Robinson had given it to him amid much hilarity at the time of their operations in gold. As for the books listed—the elegantly bound family Bible, with its elaborate genealogical record, and the hymnals from his pew at St. Paul's, with his name gilt-lettered on the covers—they were noted mirthfully by Wall Streeters, who had never taken his piety seriously. Those who were among his creditors, however, noted tartly that his property was mortgaged to the hilt.

So the dread step had been taken, and his embarrassments were proclaimed to the world. Yet he maintained a calm and even cheerful countenance, seemed resigned, and talked freely. To a *Tribune* man he said: "I had been wonderfully blessed in moneymaking. I got to be a millionaire afore I know'd it, hardly. I was always pretty lucky till lately, and I didn't think I could ever lose very extensively. I was ambitious to make a great fortune like Vanderbilt and I tried every way I knew, but got caught at last. Besides that, I liked the excitement of making money and giving it away. I've given a good deal of money away and am glad of it. So much has been saved, anyhow."⁵ Of course, he acknowledged, he should have made good on his philanthropies years before and left his children rich for life. But he added that his son was tolerably well off, his daughter had money from her second husband, and the granddaughters were amply secured.

Admirable composure, it would seem. His career of decades had been a huge and exciting game of chance, until luck failed him and he "got caught at last." No empire shattered, no great dream broken, only the solitary ruin of a gambler now resigned to his fate. One yearns for a hint of tragedy, a stabbing sense of futility, the bite of irony or regret.

Of course they were there, but well hidden. Not that bankruptcy brought shame in America. Forty years before, Tocqueville had noted that in a nation encouraging speculative boldness, failure was inevitably common and not thought to stigmatize the bankrupt. This attitude still prevailed in the depression-ridden 1870s, when respected businessmen failed by the thousands. But for Daniel Drew, having been a millionaire for over a quarter of a century, now ailing and feeble and too old to make a fresh start, bankruptcy was the final scorecard of failure. He had emulated giants like Vanderbilt and had gloried in fighting new money kings like Gould. But Vanderbilt had amassed a railroad empire in the East, and Gould was amassing a railroad empire in the West, whereas he had overstayed his luck and his judgment and lost his millions, thus compromising his church, his family, and himself. By every standard of the times, and above all by his own, he had failed utterly; in his own private thoughts, he was crushed.

Coming to comfort him in this time of desolation was his old friend the Rev. John Parker, who even more than his pastors, had served as his spiritual adviser over the years, time and again kneeling with him in private prayer, fortifying his troubled soul against the inroads of business. As the minister of various Methodist churches in New York and Brooklyn, Parker had acquired a reputation as a forceful preacher and an inspired singer who in noble causes could beg, sing, or argue money from the most parsimonious of gatherings. Drew had given generously to his causes and now, when the old man's giving was over, Parker hastened to his aid.

"Brother Drew," he asked, "you believe that God answers prayer?"

"Yes, I do," said Drew.

"And you believe that the Lord hears and answers the prayers of his children?"

"Yes, I do."

"I have heard you say a good many times on your knees, 'O Lord, whatever happens to me, save my soul.' Now then, perhaps this is the only way that God could answer your prayers. It may be that he could not have got you to heaven with fifteen millions of dollars, but he can without."

The old man thought a minute, then looked up and said, "That is so. That is all right."⁶

To comfort his friend in his troubles, Parker wrote a hymn that he must have sung to the old man often, his rich baritone voice sweet on the higher notes and strong on the lower ones, vibrant and compelling.

His Care

God holds the key of all unknown,
And I am glad;
If other hands should hold the key,
Or if He trusted it to me,
I might be sad.

The very dimness of my sight
Makes me secure,
For groping in my misty way
I feel His hand, I hear Him say,
"My help is sure."

Enough; this covers all my want,
And so I rest;
For what I cannot, He can see,
And in His care I sure shall be
Forever blest.⁷

Groping in his misty way, the bankrupt was comforted; perhaps he had been ruined to be saved. Was it not even possible that, unconsciously, this compulsive stock gambler had contrived to slough off his dirty millions, so as to face God clean? But the old man was not given to introspection; if the thought occurred to him, he did not dwell on it.

His ordeal was far from over. Pending his examination before the register in bankruptcy—an examination that his creditors had vowed to make ruthlessly probing—those creditors held a preliminary meeting on April 6 to pick an assignee. Drew was on hand, flanked by attorneys, while Judge Fancher, representing the two Methodist institutions, rubbed elbows with a crowd of Wall Street speculators and their lawyers. No agreement as to an assignee was reached, but at a second meeting on April 12 they finally settled on Isaac H. Bailey, a commissioner of the Department of Public Charities and Correction.

Meanwhile Wesleyan was soliciting contributions from its alumni throughout the country, but in the midst of a depression many could not respond, and some even questioned the soundness of the university's

financial management. President Hurst of the seminary had broken the bad news of Drew's insolvency to a dismayed faculty and student body at a meeting in the campus chapel, and was now appealing to trustees, bishops, clergy, and laymen for support. The faculty had taken a one-third cut in pay, and at the annual board meeting on April 20, which the founder did not attend, Hurst thanked the banker Andrew V. Stout, a fellow worshiper of Drew's at St. Paul's, for a gift of forty thousand dollars, which he hoped would be an incentive to others. Noting the seminary's predicament, the *Sun* commented: "The gold is bright, the greenbacks are crisp, the buildings are strong, the globe is fertile, though it all came from the mire of the Street. But is it not a little strange that the theological plant has grown in such a soil?"⁸

On April 29 Drew was served with a summons at his home. The four granddaughters had initiated foreclosure proceedings on the house. Since his children too could be considered to have an interest in the property, Drew's son and daughter-in-law were served at the same time, while his daughter and the Reverend Clapp were served in Carmel two days later, so that the whole family was caught up in his calamity. Then, a month later, the same four plaintiffs petitioned the State Supreme Court to have their grandfather removed as trustee of their father's estate, their published complaint exposing to all the world the old man's lamentable mismanagement. He denied nothing and opposed neither proceeding.

Throughout May, Uncle Daniel was heartsick and just plain sick. Summoned to an examination at Register Williams's office on the eleventh, he was in no condition to go. Dr. Linsly and another physician informed the court that their patient had been confined to his bed. Then again on the twenty-third Linsly sent word that Drew had been prostrated by a severe attack of diarrhea, and again the case was adjourned.

Linsly, who was now attending the old man daily, informed him regularly of the condition of another of his patients, Vanderbilt, whose health was at last deteriorating and who had been confined to his house since April. Although Drew's ailment was scarcely noticed, the infirmity of America's greatest multimillionaire provoked widespread interest and prompted daily hulletins in the newspapers. On May 10, when a report of the Commodore's approaching end sent Lake Shore plunging on the market, and a *Herald* reporter called at 10 Washington Square to verify Vanderbilt's condition, the subject of interest bellowed down the stairs that his slight disorder had all but passed and that if he could lay hands on the rumor mongers, he had strength aplenty to "knock all the lies for hereafter out of them, thereby causing the biggest job for undertakers that both Wall and Broad Streets have afforded for a very great number

of years!"⁹ And when Vanderbilt heard that Drew, three years his junior, was also ill, he exclaimed: "Aha! Breakin' down so young? Well, Dan'l Drew never did have any constitution!"¹⁰

Gradually Drew's condition improved, and Dr. Linsly could no longer have the examination postponed. The creditors were clamoring for it, the Wall Streeters among them being inclined to view the illness as a dodge, convinced as they were that only one year before, when his Wabash calls had come due, Uncle Daniel had played sick for a day to minimize his losses. But his ailments were real. When the examination took place at 10:00 A.M. on June 1, it was in the old man's bedroom at his residence, the only ones admitted being Register Williams and his stenographer; Simon H. Stern, the attorney for the assignee; Drew's own attorney, Alvin Burt; and Dr. Linsly. The bankrupt received them lying in his bed, bolstered up and very feeble. As the representative of the creditors, Stern put a series of questions to him that he answered under oath, with great effort, in a whisper that was scarcely audible.

Prior to filing for bankruptcy, where had Mr. Drew done business? He answered that he had done none at all in over a year's time. Prior to that, where did he have his office? He replied that he had none, except in the offices of his brokers. Who worked for him? No one. Who looked over the statements that his brokers sent to him? No one; he trusted to their honesty. Where were those statements now? He didn't know. Did he have any checkbooks? No, he never used them, except for a small personal account long ago.

And so, through questioning, the picture emerged of a peculiar old man who had had no office, no clerk or bookkeeper, no checkbooks, no personal records, and who in buying and selling securities worth millions had always kept his accounts in his head. As the questions continued, the invalid grew weaker and weaker, his replies so faint as to be almost inaudible, and great tears began rolling down his cheeks. Finally, after almost three-quarters of an hour, Dr. Linsly protested that his patient was too exhausted to continue. As the old man lay back wearily on his pillow and closed his eyes, the register adjourned to the following day.

After putting seventy-three questions to the bankrupt, the creditors had learned little but the eccentric business practices of the gentleman in question, practices that left no written records for them to scrutinize. The examination was by no means concluded, but when the register and attorneys called at 41 Union Square over the next few days, they were invariably told at the door that the master was too ill to see anyone, or that the doctor said he could not be examined. Then on June 8, when they arrived to resume proceedings at 10:00 A.M., a maid informed them that Mr. Drew was not at home. Register Williams's suggestion that the old gentleman might be hiding in the house provoked a vehement de-

nial, but there was no clarification as to where he might have gone. Only by pressing the matter further did they learn, first, that Drew had been driven off in a closed carriage last seen turning into Fourth Avenue, and then, that he had been taken to Vanderbilt's new Grand Central Depot to be put on a train to "Put County." In short, he had given them the slip.

To the ailing old man, enfeebled and harassed, it must have seemed the only way out. Even in the sanctuary of his sick room, they were hounding him with their questions, nor would that sanctuary be his much longer, since on May 25 the court ordered that his mortgaged residence be sold at public auction. With his health and his world a shambles, Putnam County had never looked so good. Getting there, however, would be an ordeal. So his son went up ahead to prepare things, having first arranged for the Central's Harlem line to put the palace car "Duchess"—the very one that had brought mourners to his mother's funeral—at his father's disposal with a bed. Then on the morning of the eighth, helped down the steep stoop by a young Irish servant and J. Fowler Frost, a former Brewster merchant who was now the proprietor of a hotel nearby, the invalid left his home of nineteen years forever, fled to the station, and caught the 10:35 express. Two hours later he rose from his bed to get off at Croton Falls, where his two companions assisted him to a waiting carriage and thence to his son's farm three miles away. There at last the fugitive could rest.

His repose did not last long, however, because of course they examined him again. They came on June 20, Register Williams, his stenographer, and the attorneys. Improved but still ailing, the old man again received them lying in his bed, giving evidence without rising. At the start he volunteered a statement that summarized his losses, including a million in the "Nor'west" corner, then another million in "Waybosh 'n' Can'da Sether" ("an almighty loss"), then millions more in "Waybosh" again, and Lake Shore, Canton, and Quicksilver. It was a piteous catalogue of ill luck, bad judgment, and the arbitrary actions of his brokers, who he insisted had closed out his contracts even when they had ample margin. He complained, he lamented, his mind at times skipped erratically, losing the thread and then recovering it, his answers to Stern's questions sometimes precise, sometimes maddeningly vague. His brokers' memorandums? Probably he had torn them up. Did those brokers now have any property of his? "Not without they chiseled me out of it." The value of the steamboat stock? "There's no buyers for it; nobody wants it."¹¹

Whether it was right or wrong of him to declare bankruptcy the old man could not say, but remorse gnawed at him. "It is a wonderful thing for one to think of sometimes; I can't get rid of it. To think where I was

and ought to have stopped, and didn't. If I had done right by my children—that is the awful thing.”¹² And again, remembering how he had never paid his daughter a third of what was due her: “That was the worst thing about my misfortune—that I didn't do right when I could have done it. People think I have got some great—I don't know what. I know I ain't. I tell you I ain't. It seems like a dream to me.”¹³

Even as he testified, in New York his Union Square property was offered on the auction block. Over the previous two weeks the gilt-framed family portraits on the walls had come down, the furniture had been removed, and the house stripped; horses and carriages had already been sold. Although the square had long since ceased to be a fashionable residential area, the property had great potential value commercially. Only four years before, Drew was said to have rejected an offer for it of \$300,000. Now, however, with the real estate market depressed, no such sum could be expected, so the four granddaughters elected to acquire it at a low price themselves and rent out the floors. They paid \$112,000, which did not extinguish even one-half of their grandfather's debt to them.

So it was that the elegant brownstone that the wealthy Suydam family had long ago built and then lost through financial reverses; the house where Nelson Robinson had lived in his heady days of success, only to be carried paralyzed up the steep front steps to die there; the handsome mansion where Daniel Drew had hosted the very grandchildren now bidding for it, and received clergy, celebrated his golden wedding, founded a seminary, and hatched Wall Street schemes and betrayals—that house and the stables behind it were now sold and given over to commerce, thereafter to shelter a real estate agency, an art school, and a drugstore. If the dazed old man up in “Put” thought about it, he must have mused again, “It seems like a dream to me.” At seventy-nine years of age, after decades of striving and getting, he was no wealthier than he had been at nineteen.



The Oldest Man on the Street

Throughout the summer and fall of 1876, Daniel Drew remained a convalescent in the country, slowly regaining his strength and recovering his equilibrium. Once he was able to get downstairs, he could sit on the porticoed front veranda and enjoy a fine view of the grounds, with trees and shrubs and well-trimmed, sweeping lawns. On the farm were hothouses where Bill grew grapes highly prized by the fruit dealers of New York City; stables with fine horses; cows that produced milk for the Borden plant in Brewster; and what the old man understood best—steers from the West that his son was fattening for the New York City market, where they would fetch high prices and yield top-grade beef that only Delmonico's and other fancy restaurateurs could afford. To see his son, who was otherwise busy with the People's Line, devoting weekends and holidays to personally inspecting the livestock must have pleased the old ex-drover immensely; this, at least, he had been able to give the boy.

By late August the old man was occasionally riding into Brewster for a shave at Stephen Wood's barber shop. News of his improved condition prompted the *Brewster Standard* to send a young reporter out to the farm to interview him. Arriving in mid-afternoon, the young man was received in a kindly manner by Drew who, having just finished lunch, waved him to a chair on the veranda. Dressed in a rusty black suit and carpet slippers, the old gentleman had a careworn look. His young visitor remained courteous and deferential, letting his host chat cheerily throughout. Yes, he was improving; this must be the healthiest place in the country. In time, though, perhaps he would go back to New York.

He was born near here, of course, knew everyone, or rather their children, for his old friends had died.

Asked if he had seen Vanderbilt since the Commodore himself had fallen ill, Drew replied: "No, I ain't, and I regret it very much. If it was possible for me to travel to New York, I'd go and see him at once; but I can't do it, and I'm afeared that when I'm able, it'll be too late." Having discussed the Commodore's condition with Dr. Linsly, he had no hope of his friend's recovery. His admiration for the Commodore was unbounded: "He's a wonderful man—the most wonderful, I think, in the world. What an intellect he has! And what vitality! I've known him, I believe, for fifty years."

Asked about the country's depressed condition, the recent bankrupt expounded: "What do I think is the cause of all this? Well, sir, we ain't got far to search for the cause. We've all been traveling a great deal too fast. That's it. We've been embarking in enterprises without counting the cost. Thousands of miles of railroad have been built that shouldn't have been thought of for years to come, and millions of dollars have been borrowed from European capitalists to pay for them. We're swamped with debt and ain't got any credit." But he admitted that he had no solution.

Queried about the coming election, he said that Gov. Samuel J. Tilden, whom he had known for years, would make an excellent president, although that Republican from Ohio—what d'you call him—would no doubt run very well. Although he usually voted Republican, he was still open-minded, but probably would not vote at all, not having resided there long enough to register.¹

So ended the interview. The young reporter started back to town, leaving the convalescent to snooze on the veranda.

While Daniel Drew played rusticated sage in Southeast, his name was still before the public in New York. Attorney Stern, acting on behalf of the creditors, had concluded that he could get no more information out of the bankrupt himself, and so summoned Eugene Robinson, Drew's chief broker during the time of his great losses, to be examined in the presence of the register. Stern now entertained the notion that his brokers might have victimized Uncle Daniel. After Robinson's testimony, however, and the examination of five cartloads of books containing Drew's twelve different accounts with the firm, Stern and the register concluded that Drew's millions had been truly and properly lost and so terminated the proceedings. For years, though, certain Wall Street creditors were teased by the suspicion that Uncle Daniel had somehow stashed away a fortune. The legend of Daniel Drew's hidden wealth

eventually survived the man himself by decades, but no such wealth was ever found.

October in Putnam County brought a good apple crop, which meant cheap cider. Chestnuts and walnuts were being gathered, corn was being husked, and by the end of the month wild geese were seen flying south. As the year waned, the convalescent improved, although his fortunes did not. On September 21 his four mortgaged farms were auctioned off in the town hall at Brewster (his son got two of them); on the twenty-second, his 130 acres adjoining the seminary at Madison were sold; and on October 14, the court formally removed him as the trustee of his granddaughters' estate.

On November 17, 1876—just ten days after Gov. Rutherford B. Hayes of Ohio was elected president in a highly controversial election—Uncle Daniel appeared in the Supreme Court in Brooklyn, to be on hand for the case of *White v. Drew*. The suit had been brought by the Wall Street operator Stephen V. White, who claimed that Drew owed him \$41,400 from a call in Union Pacific, whereas Drew asserted that White owed him \$51,000 from their joint account in Rock Island. Many Wall Streeters turned out to get their first look in months at the bankrupt and found a seemingly hale old gentleman, slightly stooped, wearing a big ulster over a somber black suit relieved by a white neckerchief, who sat quietly in the courtroom, legs crossed, scrunched down inside his coat's high collar, watched by all but apparently indifferent to everything around him. When he testified on the twenty-first, however, his testimony was not the highlight of the day. That came when Kenyon Cox took the stand as a defense witness, to give testimony regarding the old man's reputation on the Street. Pressed in cross-examination, Cox tried to avoid answering, then finally spat it out: "I suppose that in Wall Street his character does not stand A Number One." "I don't know what A Number One means," remarked the judge. "Maybe the jury does." "His reputation," Cox explained, "is rather bad. I have known him over twenty years, was his partner from 1870, and before that was his confidential clerk."²

Cox then returned to his seat beside Drew, who having glared throughout the testimony, immediately took him to task. Fortunately for Drew, soon afterward ex-Judge Freeman J. Fithian waxed eloquent on his behalf in an exchange with the plaintiff's counsel: "I want to show that no man has a character in Wall Street. The men who do business there are all right uptown, where they build churches, hire pews, do charitable things; but in the Street each man is at the mercy of every other man's malignity. I take deep interest in the attempt, sir, to impeach this

gentleman, who has dwelt so long in the community, and whom now, on the brink of the grave, our adversaries wish to thrust entirely under by imposing the burden of an impeachment."³ As his attorney spoke, Uncle Daniel showed considerable emotion. Thereafter other brokers testified, some speaking well of him, some not. In the end it was one man's word against another's, which might have augured ill for the defendant, but the jury was unable to agree.

By December, the Commodore was close to the end. Bedridden for months, he had fought pain, disease, and death just as he had fought Daniel Drew and a hundred others on the water, and Daniel Drew and a thousand others on the land: boldly, obstinately, irascibly. His bladder inflamed, his inner organs diseased, his digestion almost paralyzed, this supreme artist of go-ahead clung tenaciously to the shreds of life still left in him, forcing himself in a wheelchair to the window to view his favorite horses brought into view—magnificent thoroughbreds that he would never again drive impetuously through the dust of Harlem Lane. Newspapers issued daily bulletins on his health, and journalists rented quarters in the neighborhood in order to maintain a round-the-clock vigil near his residence. Meanwhile, twisted with pain, the old man spat out the tea his nurses gave him; hurled hot water bottles at his doctors and called them "Grannies," then broke into tears and begged their forgiveness; and thundered profanities at Wall Streeters who he heard were trading on reports of his death. Although he kept at a distance the aged daughters whom he had never loved and his second son whom he scorned, he summoned the Rev. Charles Deems and said to him with tears in his eyes: "Doctor, I sent for you to tell you how I love you."⁴

Love and piety flowered in his stern heart at last, their seed sown in him in childhood by his mother and now carefully nurtured by Deems and his wife. As the old man sank slowly, rallied, then sank again, his splendid organism crumbling, his features wasted, he achieved a Christian dying. On January 3, 1877, he bade farewell to those he most loved, joined in falteringly as they sang his favorite hymns, asked Deems to pray, then said: "That's a good prayer. I shall never give up trust in Jesus. How could I let that go?"⁵ These were his last words; on the morning of the fourth he settled back, closed his eyes quietly, breathed one last rasping breath, and expired.

That this most profane of men—a stranger to churches, his life characterized by total selfishness and total ruthlessness (although softened through pain and love at the end)—should have died a Christian, must have struck Drew as a vindication, a wonder, and a glory. On the morning of January 7, when the host of notables invited by the family assembled in the downstairs parlors of the residence on Washington

Square, Drew was among them, his improved health now making trips to the city feasible. The Commodore was laid out in a massive silver-mounted casket in the hallway, clothed in a dress black suit with a low-cut vest revealing the silver studs of his shirtfront. But when Drew viewed the remains of this man whom he had so admired and so cheated, surely he was shocked. Instead of the ruddy-faced, strong-featured Vanderbilt, strikingly handsome, whom he remembered, he found a shrunken, emaciated wraith with pallid skin, hollow cheeks, and jutting cheekbones, the once brilliant eyes now closed and sunken under shaggy brows. Yet for all that, the massive forehead and firmly set mouth suggested a sternness worthy of the Commodore.

When the lid was screwed down and the casket carried out, Drew and the other mourners followed through the slippery, slush-covered streets to the Church of the Strangers two blocks away. Then, after a simple service, he joined the cortege of over a hundred carriages down Broadway to the Battery, where a waiting ferry boat embarked the coffin for Staten Island. Like most of the mourners, Drew turned back at the dock, his fragile health compromised already by the chill air of a January thaw.

It was the end of a lifetime of rivalry, of a friendship of forty-six years seasoned with esteem, sentiment, guile, and betrayal, as one frail old man paid his last respects to the shrunken ghost of another—a feeble bankrupt bidding farewell to the man whom he had emulated most in the world and who had died worth a hundred million. Opposites in many ways—the one blunt, physical, profane, rocklike in his strength and fixity; the other serpentine and cunning, abstemious and inclined to piety—they had been shaped of the same rough clay: poor, uneducated, practical, determined to achieve and acquire. What was Daniel Drew now, without the Commodore's shadow to walk in?

The year 1877 passed quietly as Drew lived with his son and daughter-in-law—the “young folks,” as he called them—in rustic tranquillity. In March he retired at last—he had held the office nineteen years—as president of the People's Line, being succeeded by his son. When the seminary board held its annual meeting in Madison on May 16, he attended with his son and grandson, both of whom offered on-the-spot contributions to help make up the \$5,000 deficit from the previous year's operations.

Strenuous fund-raising efforts had gone a long way toward saving the seminary, and as it acquired a far broader and surer base of support, pious observers discerned in the crisis the hand and wisdom of God. Such reflections may have prompted the board, on this first visit of the founder since his bankruptcy, to pass a resolution releasing him from his

note and to approve another resolution proposed by President Hurst: "Resolved, that we are glad to be favored with the presence of our Venerable Founder Daniel Drew at this annual meeting and direct this special minute to be recorded, appreciative thereof."⁶ At the commencement on the following day, he appeared on the platform with other dignitaries and when his name was mentioned, hearty applause broke out. At least the Methodists forgave.

Wesleyan University had likewise released its benefactor from its claim upon him, and when he returned to Madison for the seminary's tenth anniversary on October 25—Founder's Day, as some now called it—his appearance again produced an enthusiastic response. At a board meeting in the chapel afterward, the trustees concurred in Prof. William Wells's eloquent congratulations to Drew on having attained his eightieth year and on "the joy of knowing that, whatever else might be evanescent, his monument here at Madison is a thing of joy forever."⁷ Methodists and others were well aware that whatever the old gentleman had kept for himself had been lost, whereas all that he had given away had endured; he himself was the first to agree.

Absolved by the Methodists, freed from his creditors, the bankrupt might have spent his remaining years peacefully and obscurely in the country. His grandchildren were living in and about Drewville contentedly, the husbands raising trotters for trotting meets and fairs, depleting the local quail in the hunting season, and planting maples and elms; for a change they and their wives visited the White Mountains, spent a season in Paris or a year in Switzerland. The old man's daughter Catherine still resided in Carmel village, her husband the Reverend Clapp prepared as always to sermonize on man's justification before God, or lecture on yellow fever or the immoral condition of the French. Even Daniel's grandson—Daniel Drew Chamberlain, who had known Wall Street in the giddy days of the war—had retired without regret, living happily near Carmel as a gentleman farmer, raising prize oxen, distributing awards at the female seminary, and promoting Sunday school. Surely then in Putnam County, surrounded by his family, Uncle Daniel should have found the good life possible.

But he yearned for New York. For one who had known such men as Vanderbilt, A.T. Stewart, Tilden, and Fisk, and had made and lost millions habitually, "Old Put" could never be enough. In this quiet, healthy corner of the country, where the biggest news was a plague of potato bugs in Drewville, the Methodist ladies' annual strawberry festival in June, or the theft of some melons from a granddaughter's garden, the old man viewed a few weeks or even months as a vacation, but years as an imprisonment. Even bankrupt, he had to get back to the city.

This was not difficult. His son was now fully involved with the

People's Line and not wholly indifferent to the contacts that his father could still provide on Wall Street. So in November 1877 Bill and his family moved for the winter to the city, where they took up residence at the Hotel Bristol. Thereafter, quietly and discreetly, Uncle Daniel was seen again on the Street. Penniless, he remained on the sidelines, but at least he could chat and reminisce. On one occasion, talking with the broker Henry Clews, who had failed in the panic but resumed, Drew explained why he had left "Old Put": "I was troubled with visitors, some of 'em well on to one hundred years old. Some of 'em said I bought cattle from 'em when I was young, on credit, and they wanted their bills. I kept no books, and how was I to know I owed 'em for them critters? It was dull outen thar, and yer never can tell till the next day how sheers is gone."⁸

A picturesque has-been, Uncle Daniel was by no means forgotten in the city. Whenever he appeared in court, press and public took notice. In February 1878 he testified in a suit brought by his son against a broker named John N. Harriman, who in 1870 had given the old man a note for \$8,000. Drew had since sold the note to his son, and his son was demanding payment. Called to the stand, Uncle Daniel advanced with a surprisingly elastic step, wearing his famous sealskin coat. Testifying in a feeble voice, he stated that he had sold the note to his son for \$3,500.

"Did you sell this note because you needed money?" "Yes, sir." "What did you want money for—for stock operations?" "No, sir." "What for, then?" "For family expenses." The courtroom roared with laughter, but the court made a judgment for his son.⁹

Then on March 8, 1878, Drew appeared as a witness in the most celebrated trial of the moment, the Vanderbilt will case, in which one of the Commodore's daughters challenged the will in which the old man left the bulk of his estate to his eldest son, William. The court testimony afforded piquant glimpses of the aged Commodore as a cranky invalid, as a credulous believer in clairvoyance and magnetic healing, and even—allegedly—as a septuagenarian Romeo. To all this, however, Drew's testimony added little. Asked about a conversation that he was said to have had twenty years before with the Commodore, on the subject of Vanderbilt's disinherited second son Cornelius Jr., he recalled nothing. But the real news of Uncle Daniel's appearance in court was his springy step, agile movement, and flourishing look. In contrast to the lean and wrinkled old man in shabby clothes of his prosperous days, the *World* noted that "he was accurately dressed in black broadcloth and a white tie, and his expanded waistcoat betokened that at eighty-four [really eighty] he is getting—fat!"¹⁰ Bankruptcy, it seemed, had done wonders for him.

Drew might have agreed. His friend John Parker's argument that

perhaps God could not get him to heaven with fifteen million dollars but could get him there without had weighed mightily. Often now he remarked that his money-getting career was behind him, that he longed for rest. Never obsessed with the trappings of wealth, he was heard to say: "How much better this is than the old way. I can step into the street-car, go to church or prayer meeting; I have no trouble to bring out a carriage, or keep a coachman waiting for me."¹¹ Having applied for a pension as a War of 1812 veteran back when he still had his millions, he lined up regularly at the pension agent's office with the other old men to get his eight dollars a month, which was his only income, apart from the bounty of his son.

As always, he was seen regularly in his pew at St. Paul's, unless his health detained him, and appeared as well at the prayer meetings and love feasts, his fellow worshipers marveling at the look of supreme peace that had settled over the furrows of his face. Among the Methodists his bankruptcy was deemed a personal benefit since it had wrenched him from Mammon. John Parker was firmly convinced that his elderly friend had been relieved of the cares of the world, that being ruled again by his mother's early training he had returned with a tender heart to God. Certainly he spent long hours reading the Bible, praying privately, and singing the Methodist hymns. And what he had discovered for himself, he tried to impart to others. A leading Wall Street man who had business with him later recalled: "I met Mr. Drew and transacted my business, when he said: 'I have something to say to you. You can't live always. You can't take your money with you.' Then he exhorted me in the most feeling manner, and got me down on my knees and prayed for me. No man ever talked to me about my soul as did Daniel Drew. If there is a Christian on the earth, it is Daniel Drew."¹² A saint, then, at the end of his life, one who, having had everything and lost it, fought through to Christian resignation, to peace.

Almost. For the serene old gentleman who was seen praying in his pew on the Sabbath or chatting about town with friends in the parlors of first-class hotels, still hobnobbed with brokers and at times was seen on the Street. And if he himself was too old to make a fortune there, his son was not. After all, since Bill had proved himself a chip off the old block in the managing of cattle and steamboats, why not on Wall Street too?

Perhaps with this in mind, in November 1878 William H. Drew resigned as president of the New Jersey Steamboat Company, being succeeded by William W. Everett, the husband of Daniel's granddaughter Georgiana. The change may not have been wholly amicable, since by means of it the last vestige of Daniel's influence was eliminated, putting the company wholly in the hands of the granddaughters and their husbands, who then controlled it for a quarter of a century. The following

March a report circulated that new opposition to the People's Line was being organized by William H. Drew and J.W. Hancox, but the former promptly and unequivocally denied it.

No longer a steamboat manager, by May 1879 Bill had become a broker with Lawrence Brothers & Company at 31 Broad Street. At the same time he leased a brownstone at 3 East Forty-second Street—an uptown location where fashionable residences and hotels were now appearing in the vicinity of Grand Central Depot, whose proximity made commuting to and from the country easier. Thereafter Daniel was often seen dining and chatting with Darius Lawrence, through whom the old gentleman began executing small transactions in the market.

And so, trivially, using modest sums provided by his son, the tearful hymn-singing penitent found his way back to Wall Street. There he was considered a "dead duck," differentiated from the mob of pathetic hangers-on chiefly by his picturesque status as the oldest man on the Street. He was approaching eighty-two, but his gray eyes had not lost their fire, occasionally glinting with the joy of a small "killing" that would give him pocket money. Yet better days might be at hand. William H. Vanderbilt, now a portly plutocrat whose fortune increased by millions every year, remembered the old man with affection as his Wall Street employer of forty years before. He was said to give Uncle Daniel "points" in the market and to intend to provide the old gentleman with the means for another start in life. If at least half Daniel's hopes were fixed on such a prospect instead of the hereafter, he could not help it: stock gambling was in his blood and his bone.

He missed the seminary board meetings in the spring and fall of 1878, but in September of that year—discreetly, no doubt, lest his creditors get wind of it—he gave the school fifteen hundred dollars. Then on May 14, 1879, he again attended the annual meeting at Madison and on the following day appeared on the platform at commencement. Of a proposed new endowment of \$300,000, some \$248,000 had been pledged, almost the equivalent of the lost quarter million. "The hour of extreme peril is tided over," announced the *Advocate*, "the Drew must and will live."¹³ And with it, presumably, his name.

Summer came and Daniel returned to the Cliff farm with the "young folks" and their daughter. In the time he could spare from Wall Street, Bill was still living grandly as a country gentleman, giving a gold piece to each employee at Christmas, tending his superb hothouse grapes, and on the evening of July Fourth entertaining guests with a brilliant display of fireworks at the house. But in his own way, the old man could also play the squire. He had long patronized Stephen Wood's barbershop in Brewster, located on a second floor to which a staircase without a railing gave access. In early August, just after his eighty-second birthday, he

provided the stairs with a handsome black-walnut railing installed at his own expense, which was promptly reported in the paper. Not that this was pure altruism, since he needed it to get up the stairs.

On August 14 Daniel accompanied his son's family to Long Branch, where they spent the balance of the month. By September they returned to New York, Bill and his father remaining in the city while the rest of the family went back for a while to the farm. On Sunday the fourteenth, the old man appeared as usual in his pew at St. Paul's, where many fellow worshipers commented on the restfulness that showed in his face. Was it spiritual repose or just a good vacation?

The following Thursday, September 18, Daniel dined at 6:00 P.M. with Darius Lawrence at the Grand Union Hotel, where the two often had dinner together and spent the evening sitting outside in front of the hotel. On this occasion the old gentleman ate heartily and seemed in good spirits and health. After dinner the two men returned to 3 East Forty-second Street, where they chatted pleasantly until 9:00 P.M., when Lawrence said that it was time for him to leave. At this point Drew complained of not feeling well and, since his son was absent from the house, asked Lawrence to stay for a time. Lawrence agreed, remaining in the next room while the old man retired. About 10:15 P.M. Drew entered the room and said he felt worse, whereupon Lawrence sent at once for Drew's physician. "I've got a severe pain here on my heart," the old man told Lawrence, "just as my mother had the moment before she died."¹⁴

No sooner had he spoken when his head slumped forward on his chest. Lawrence sprang toward him, and he fell dead in the younger man's arms. Shortly afterward, when another doctor arrived from next door and examined him, he found the cause of death to be not heart failure, as originally thought, but cerebral apoplexy. The son was informed; the news went out. On the death certificate, the doctor gave the deceased's occupation as broker.

And so Daniel Drew died, his last thoughts on his mother before expiring in the arms of Wall Street. It was a death as sudden, brief, and easy as the Commodore's had been protracted and agonizing. Having long known and said the worst about him, the New York dailies hailed the passing of an American original who was, as the *Tribune* put it, worthy of Hogarth, although they might more aptly have said a Yankee Dickens. The *Albany Argus* insisted that "speculation and sanctification do not go well together," but the *Advocate* observed that Mr. Drew's piety, like certain rivers of the West, having been long sunken in the desert of his scheming, had surfaced at the end to make his last days "green and gladsome."¹⁵

On September 23 the plain rosewood casket was conveyed to Grand Central Depot, where a special three-coach train was waiting. About one hundred mourners boarded it, including close friends and relatives; trustees and representatives from the Drew Theological Seminary, Wesleyan University, St. Paul's Church, Troy University, and the Concord Biblical Institute; and lawyers, butchers, brokers, circus and steamboat men, and prominent Methodist laymen and ladies. In Brewster the post office and all the village stores were closed, and the bell of the Methodist church was tolling. From the station, a cortege of carriages proceeded to the white-steepled church, where the local mourners waited: more friends and relatives, faculty and students from the Drew Female Seminary at Carmel, most of Brewster, and a host of farmers who had ridden in over the hills and down the valleys from twenty-five or thirty miles away.

In the crowded church—decorated sparingly with flowers owing to the deceased's expressed desire for simplicity—six clergymen officiated, of whom three gave addresses. By far the most moving testimony was that of John Parker, who spoke feelingly of the unceasing war in his departed brother's heart between business and piety and of his love for his mother. After the service, the mile-long cortege drove to the Drew Cemetery where, among cedars and flower beds, the coffin was deposited in a brick tomb beside the grave of Roxanna, near the tombstones of Drew's parents and his long-deceased infant daughter Josephine. Lamented by those whom he had loved and benefited, enriched and wronged, Daniel Drew slept with his own.

Epilogue

Daniel Drew's will, made on December 2, 1873—after the Kenyon Cox failure and the assignment of his property to Scott, but before his bankruptcy—left half his estate to his son and half to his daughter. His son as executor inventoried the estate, which included 500 shares capital stock, Baldy Sour Mining Company, at \$50, amounting to \$250; 1,250 shares capital stock, Sweetwater Mining Company, at \$50, amounting to \$625; \$148.22 in cash; and one lot wearing apparel, valued at \$50; amounting to a total of \$1,073.22. Since there was no market for the stock or the apparel, Drew's estate came to \$148.22.

Humans perish but litigation endures. In 1886 certain of Drew's creditors got Isaac H. Bailey, his assignee in bankruptcy, to bring suit against Drew's son and grandson, to demand from them an accounting of certain securities that Drew had allegedly given them in fraud of his creditors. After a prolonged sifting of the old man's tangled finances, the court dismissed the complaints in 1891, fully twelve years after Daniel Drew's death.

William H. Drew returned to Putnam County, where he lived most of his life as a gentleman farmer. In 1900 he sold the Clift farm, by then known with varied spellings as Drewslift, but continued to reside in the vicinity until his death in 1912.

Drewslift was purchased in 1906 by the wealthy New York City contractor Patrick Ryan (1853-1925), who transformed the mansion into a massive stone castle with a round tower, in which form it survives today. In 1930 the property was acquired by Victoria Dreyfus, wife of the millionaire music publisher Max Dreyfus (1874-1964), who renamed it Mad-

rey Farm. Since Victoria's death in 1976, some of the estate has been sold, but the mansion still awaits a new owner.

Drew's daughter Catherine died in 1883, and her husband the Reverend Clapp in 1889. Most of the married grandchildren lived in the Drewville vicinity until early in this century, when the area became a New York City reservoir.

The floating palaces of the People's Line continued to ply between New York and Albany under the management of William W. Everett until 1902, when control of the New Jersey Steamboat Company passed to Charles Wyman Morse, who subsequently absorbed it into a company of his own.

Jay Gould persisted in his brilliant career of corporate takeovers and stock manipulations, specializing in Western railroads. The most hated man in America, he appeared in public always accompanied by bodyguards, but spent his private hours quietly with his family in seclusion, raising exotic plants and reading. He died of consumption in 1892.

Today Daniel Drew's name has been forgotten, and the Drew Cemetery in Putnam County lies abandoned and overgrown. The Drew Theological Seminary, however, survives as Drew University, where on the walls of Mead Hall hang portraits of Daniel and Roxanna donated by their son—surely the very ones that once hung in the parlor at 41 Union Square.

The legend of Daniel Drew's hidden treasure survived well into the twentieth century. In 1972, when a grandson of the only daughter of William H. Drew visited an abandoned farm near Port Elizabeth, New Jersey, where his grandmother, estranged from her family, had spent the last years of her life, he found the property pitted with excavations. For years, people from all over the county had been digging there for buried wealth.

What are we to make of this man, the legend of whose phantom wealth all but survived his own name? Certainly both apologists and critics of laissez-faire capitalism can arm themselves with facts from his career. As drover, innkeeper, and steamboat operator he was able simultaneously to pursue his own interests and significantly benefit society, while as a Wall Street speculator he showed to what infamy untrammelled self-interest can lead. As a financial miscreant he differed from the other money kings of his time primarily in one respect: unlike them, he was also conspicuous as a prayerful Methodist and on this count, both then and ever since, has been labeled a hypocrite.

Daniel Drew, however, was not really a hypocrite, for his bouts of tearful repentance were sincere as far as they went. The anguish that he felt was essentially that which, long before setting foot on Wall Street,

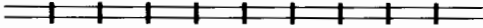
he had experienced at the age of fourteen. His was the agony of a sinner who fears the wrath of his God. Only insofar as it distracted him from religion did his business career fuel such agony. At the end of his life, ruined, he felt keen remorse for having failed his family and his church, but none at all, it would seem, for having duped others, helped mismanage Erie, or on more than one occasion disrupted the nation's commerce. His mind was compartmentalized, and the fervors of religion rarely infiltrated the arena of finance. What he lacked was pervasive moral perception. A consistent sense of responsibility to shareholders, the business community, and the public was simply beyond his grasp.

In being innocent of such responsibility, Drew did not differ markedly from Fisk, Gould, and Vanderbilt. Yet such were the range of his experience and the contradictions of his character that Drew provides a far richer study than do they. Drew knew, and poignantly, not only triumph but loss. And while any human life, if scrutinized, yields a nest of paradoxes, few yield as many as Drew's. Daniel Drew was a hard-headed man of business driven by two deep passions—religion and speculation; a brilliant money manager who through his own fault died peniless; a masterful Wall Street tactician who could rarely conceive, and never adhere to, a long-range strategy; a natural actor who, having fooled others all his life, ended up fooling himself; a conniver who routinely betrayed allies in finance, yet remained unfailingly loyal to his church; a remorse-stricken penitent who on Wall Street disclaimed the slightest responsibility to others; one who in cheating big always found time to cheat small; a canny old man who at heart remained a little boy out for fun and excitement, viewing his multimillion-dollar manipulations essentially as one big game. He was not necessarily better than his severest critics have depicted him, but far subtler and more complex.

What should such a life mean to us? Drew's character and career offer a thick, savory slice of America. This book pleads not for Uncle Daniel himself, but for a better memory and understanding of him. If we know him in his full gamut and true complexity, neither masking his faults nor belittling his virtues, we better know our nation and ourselves. In our own less heady and more sophisticated age, deeds and misdeeds are veiled in corporate anonymity. Yet philanthropy and rascality still flourish and, as in Drew's case, have been known to proceed hand in hand. Go-ahead and "smartness" are not dead, albeit refashioned to suit the style of the times. With changed and proliferating rules, the money game continues, and Wall Street still exists. It behooves us, then, to take another look at the life of this shrewd old man, with its rich texture of color, excitement, humor, arresting paradoxes, biting irony, high drama, and farce, although in the end it inspires a feeling of waste. What final comment should be made on the career of this exponent of aggressive self-

interest who, after decades of getting and doing, from this world's experience had only his mother's memory and two worthless mining stocks to clutch? Perhaps he himself summarized it best: "It seems like a dream to me."

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Bouck White's
"Book of Daniel Drew":
An Enduring Fake

Bouck White's *Book of Daniel Drew*, published by Doubleday, Page & Company, went on sale in New York on Monday, April 11, 1910, heralded one day earlier by a brief announcement in the *New York Times* book section, and an account of its contents covering almost a full page in the magazine section. This edition contained a three-page editor's note in which Bouck White quoted in part an article from the *New York Tribune* of February 8, 1905, announcing that a grandniece of Daniel Drew had discovered his diary in an old trunk shipped to her in New York "from the Drew estate in Carmel" and that she meant to have it published.

The manuscript in question, White explained in the note, had been "in the most jumbled and helter-skelter form imaginable,"¹ obliging him as editor to organize and supplement it for the sake of coherence and clarity, and to correct Drew's grammar and spelling throughout. Although he put his supplements in the first person and anticipated some errors of detail in his editing, White emphasized that "in the drift and temper of the work as a whole, I pledged myself to absolute adherence to the originals."² White signed the note "Bouck White, Head Resident's Study, Trinity Neighborhood House, New York City," thus implying that he was Head Resident of the settlement house of Holy Trinity Episcopal Church in Brooklyn—a further guarantee, perhaps, of his editorial integrity.

Thus presented as the edited and amplified diary of Daniel Drew, the book certainly received more attention than it would have as a mere biography or historical novel. Here, seemingly from the hand of the subject himself, was a revealing portrait of an unscrupulous robber baron—

greedy, selfish, cunning, and on occasion cruel; a "boiler-plated" rascal who "didn't care a hill of beans for the speech of people" and admitted that "business slobbers a fellow up," but insisted that a man could still be decent in his private life, since "straight trees can have crooked roots"; a despicable hymn-singing hypocrite who stated candidly that the church was not "skittish" about a businessman's ethics, and who viewed his gifts to religion as a good investment like paying taxes, since "God keeps a full set of books"³—all in all, the most self-damning portrait conceivable of the capitalist, and one that for decades to come would cement Drew's image as a treacherous, pietistic villain.

Even so, from the outset most reviewers questioned the propriety of White's casting his own contributions in the form of a first-person narrative, thus masking their extent. The *Christian Advocate* reviewer, writing before any controversy had erupted, also noted that White's book chiefly recapitulated newspaper accounts from Drew's own time, rather than adducing new facts, while the *Times* review on May 7 dismissed the whole work as spurious and no adequate basis on which to judge Drew's career (a view restated vigorously by a *Times* editorial of November 1, 1914, after White had achieved notoriety).

The most telling criticism of all, however, came in an interview with William H. Drew, Daniel Drew's surviving only son, which appeared in the *New York World* of April 25, 1910. William H. Drew emphatically denounced the book as a fraud, declaring that his father had left no diary or other papers—as his father's executor, he should know better than anyone—and furthermore that his father could scarcely write, and that what he wrote no one could read. Moreover, he said, there was no grandniece in the city, and if he was surprised at the accuracy of certain of the book's information, such as the "D-O-A-R-E" story and the steers named "Daniel Drew" and "Commodore Vanderbilt," other facts were manifestly false, such as his father's boorish speech at the golden wedding, and his erecting a great granite cross in the Drew Cemetery—a cross that William H. Drew himself had put up four years after his father's death and for which he still had the receipt! The son said that for several years the family had been receiving mysterious requests for genealogical data, requests that they had never complied with and whose meaning was clear only now. Upon hearing of the book's imminent publication, he had gone to New York to see Frank N. Doubleday in person and obtain a copy of it. When he protested the falseness of its contents, Doubleday had agreed to delay placing the book on the market until Drew put his objections in writing. On second thought, however, Drew consulted a lawyer instead and was now planning a criminal suit to prevent the book's distribution.

Invited by the press to comment, a Doubleday representative insisted that "of course every word and every fact in the book was carefully

gone over by us before it was printed, and we are sure of everything in it."⁴ White likewise maintained that the diary had been discovered in 1905 by a grandniece, Margaret Drew, who was an actress, and that the family would not sue because it was too aware of the book's truth to challenge it. The Methodist church, he declared, could not assist in America's civic and social redemption as long as her leading divinity school bore the name of a man "reputed to have been well-nigh the wickedest in business malpractice"; however ignorant the Methodists were of Drew's ill deeds, the world was not and viewed a "Drew" theological seminary as a joke.⁵

White put the seminary on the spot. As soon as they got wind of the book, the seminary authorities had queried the family as to the diary's authenticity and received William H. Drew's strenuous denial. When interviewed by a *Brooklyn Daily Eagle* reporter on April 27, President Henry Anson Buttz insisted that some of the book's statements (he declined to say which) were false, and stressed that, in fairness to both Drew and the seminary, verification should be demanded. Although no official word of it was given to the press, the seminary authorities were embarrassed by the mounting controversy and eager to forestall it, since if an aroused public opinion obliged them to change the institution's name (as some of them secretly longed to), this might provoke costly legal complications regarding Drew's original donation, which had been given on condition that the seminary bear his name. Indeed, would the seminary not be morally obliged to renounce the original quarter-million-dollar endowment, something that it was in no financial position to do?

White required nothing less of the seminary. Interviewed almost daily, he declared that "the Methodists have canonized a man whose deeds are a stench in the nostrils of honest men," and that he, as self-appointed devil's advocate, had undertaken to force them to "decanonize" Drew by changing the seminary's name and restoring the original donation not to the family, who had no right to it, but to the shareholders of the still troubled Erie Railway! Such a deed, he said, "would stand as a lighthouse, whose rays would pierce the spiritual and moral darkness that is now covering our country, and reach to the uttermost parts of these United States."⁶

William H. Drew saw things differently. "This book is a libel pure and simple," he announced on April 28 when, accompanied by his lawyer, he handed a copy of it to New York District Attorney Charles S. Whitman, entering a complaint of criminal libel against the author and publisher—an unusual action in that it alleged offense to a man not living.⁷ Whitman gave the copy, with its objectionable passages marked by Drew, to an assistant district attorney for investigation.

A week later, however, Whitman announced that no suit for libel was

likely, since William H. Drew had declined to swear formally to a complaint specifying the passages alleged to be libelous. Lacking such a complaint, Whitman was unwilling to proceed, being of the opinion that Drew had decided to drop the action. White at once declared himself vindicated, and since William H. Drew made no further statement and the seminary was not inclined to take the matter up, the controversy subsided.

Why did William H. Drew abandon the legal action that he had initiated with such determination? Prior to his death in 1912, he gave no public explanation. His descendants today have no knowledge of the matter, nor is there any mention of it in the minutes of the seminary's board of trustees. Certainly it was not because, as White asserted, Drew knew the truth of the book's statements about his father. Perhaps the seminary authorities and other Methodists convinced him that a public controversy would do irreparable harm to the seminary, but this is pure conjecture. His abandonment of the lawsuit remains an unresolved mystery, all the more so in that it let White, his father's alleged libeler, claim victory without ever having produced the manuscript of the diary or the grandniece who had supposedly discovered it.

Who was Bouck White, and how did he come to write the *Book of Daniel Drew*?

Born Charles Browning White on October 20, 1874, he was the son of a Methodist dry-goods merchant in the small village of Middleburg in Schoharie County, in the Catskill Mountains to the west of Albany, New York. Having grown up in Middleburg and attended Harvard, from which he graduated in 1896, he felt a call to the ministry and after studying at Union Theological Seminary in New York, was ordained a Congregational minister. From college on he went by the name of Bouck White ("Bouck" being his mother's maiden name), which he adopted legally in 1907. After four years as pastor of a Congregational church in Clayton, New York, he came to Brooklyn to serve as a social worker—but not the Head Resident—of the settlement house of Holy Trinity Church, whose pastor was a friend of his. In 1903 he published his first work, *Quo Vaditis? A Call to the Old Moralities*, which was an immature denunciation of the sins and vices of the day, including profit-motivated imperialism, the cure for which he saw in a vague brotherhood of all men with God.

Thereafter, a first-hand experience of the slums of New York turned him into a radical Socialist, in which capacity he undertook his second work, the *Book of Daniel Drew*, whose subject aroused his enmity as an arch robber-baron capitalist who seemingly compounded his sins by affecting, at least on the Sabbath, a colorful brand of old-fashioned piety. White was equally outraged by Drew the capitalist and Drew the hypo-

critic, both of whom he determined to expose and castigate with words planted in Drew's own mouth.

Decades later, when queried by the young historian Irvin G. Wyllie about the supposed Drew diary, White admitted that it had never existed, and a lifelong friend of White's informed Wyllie that White had acquired information for the book by visiting Drew's former haunts to interview old-timers who had known him. Doubleday, Page & Company, then, was either White's dupe or his accomplice. At the very least the firm, contrary to its public statements, failed utterly to verify the authenticity of the manuscript submitted to it. Nor was the April 1910 edition the first; in January another edition had been printed without any preliminary editor's note at all, a gross deception that seems to have been reconsidered by the publisher out of last-minute scruples or prudence, or perhaps because of William H. Drew's intervention.

And what of the grandniece Margaret Drew, who had supposedly discovered the diary in 1905? Although no grandniece, a Margaret Drew indeed existed. She was an attractive, young, round-faced actress who in 1905 had been playing in an English farce, *Mrs. Temple's Telegram*, and who after further appearances in New York went on the road and in time headed a stock company touring Montana and Washington. Her connection with White remains a mystery, but the article planted in the *Tribune* of February 8, 1905, probably served the double purpose of giving a young actress some free publicity and of documenting a radical reformer's future claim that he had only edited, not written, the alleged diary of Daniel Drew.

Even without White's later testimony, a close inspection of the *Book of Daniel Drew* reveals it as a fraud, since countless passages can be traced to printed sources available to White at the time. From E. H. Mott's *Between the Ocean and the Lakes: The Story of Erie* (1899) White derives much information on the Erie Railway, while he relies on John H. Morrison's *History of American Steam Navigation* (1903) for steamboat data, including the J. W. Hancox ad that he cites on pp. 105-6 and the *Alida* ad on pp. 108-9 (from Morrison, pp. 61-62 and 88). Henry Clews's *Twenty-eight Years in Wall Street* (1887), or the augmented edition of 1908, supply the stock-watering story (White, pp. 43-60); Vanderbilt's getting word to Drew at Taylor's Hotel (pp. 266-67); Drew's tricking the young Wall Street speculators in Oshkosh stock (pp. 401-2); and the spurious story of Drew taking refuge in bed with a liquor bottle (p. 422).⁸

The story of Drew's meeting his steamboat captain in the bar is taken from D. L. Buckman, *Old Steamboat Days on the Hudson River* (1909), pp. 62-63, while the 1831 and 1852 sections of Charles H. Haswell's *Reminiscences of an Octogenarian of the City of New York* (1896) inspired White's account of how Drew cheated the Hudson River Steam-

boat Association (White, pp. 99-100); how Boss Tweed lost money in Erie—an unverified story (pp. 164, 325); and how Drew unloaded Erie stock on a young lawyer (pp. 321-23). From W.W. Fowler's *Ten Years in Wall Street* (1870), or the augmented 1880 edition of it, comes the supposed Wall Street saying "Daniel says 'up'—Erie goes up" (White, p. 154); the description of Groesbeck's office in the 1860s (pp. 416-17); and other Wall Street lore.⁹ Still more details were culled from the New York dailies' obituaries and other articles, from the *Methodist* and the *Christian Advocate*, the *New York City Directory*, and William Pelletreau's *History of Putnam County, New York* (1886). Much of the description of the golden wedding on pp. 350-51 was lifted almost intact from the florid, cliché-ridden account in the *Herald* of March 5, 1870.

White's *Book of Daniel Drew*, then, is a pastiche of printed sources, fleshed out with further details amassed on "field trips" to Putnam County, Drew Theological Seminary, Wall Street, and probably even the old Bull's Head Tavern (demolished in 1906). Not that his attempts at research preserved him from errors, for the book abounds in them. White makes Drew the younger, not the elder brother (pp. 10, 15, 37)—a mistake induced by certain obituaries and the tombstone itself of Thomas Drew; he names the Peter Lorillard family and not the butchers' association as the owners of the Bull's Head when Drew was there (p. 62), and has the Buck's Horn Tavern still standing (p. 68), although it was demolished in 1826; he mentions the *General Jackson* explosion (p. 95) without explaining how it triggered popular resentment against Jacob Vanderbilt, thus following Drew's own incomplete account in the McClintock article of 1859, which was drawn on by the obituaries; he presents Drew's partner Robert Kelley as an experienced and well-to-do drover when he joined Drew's Wall Street firm (p. 118), whereas Kelley was only nineteen; he has Drew build the Union Square mansion himself (p. 155), whereas Drew bought it from Nelson Robinson's estate; he has Vanderbilt on hand at the secret meeting at Judge Pierrepont's that helped resolve the Erie litigation of 1868 (pp. 272-78), when it is certain that Vanderbilt never attended it; he makes Isaac Newton die of thin-skinned overreaction to a steamboat disaster during the Civil War (p. 311), whereas that tough-grained gentleman actually died in 1858; he has Fisk on hand when Drew received his sealskin coat (pp. 418-19), when Fisk was in fact already dead; and so on. No allowance for mere editorial lapses by White could explain the innumerable errors of detail to be found on nearly every page of the book, which must be spurious from beginning to end.

Worse still, White's antipathy to his subject led him to deliberately distort his material. Thus he has Drew launch himself as a drover by engaging in an illicit trade in bob calves (pp. 19-20), for which there is

no authority. He creates the story of the cheating of Henry Astor (pp. 43-60), and recasts the California Parker story in order to make Drew a coldhearted villain (pp. 190-97). In adapting the steamboat *Alida* ad from Morrison, p. 88, he substitutes the name of the *Drew* for the *Troy* as the *Alida*'s rival (pp. 108-9), thus replacing one vessel with another built twenty years later! More outrageous still, he has Drew state that the Erie was a prosperous line until he forced himself on the board (pp. 142-43), whereas Mott's history of the road—a source well known to White—says the opposite on nearly every page. So convinced was White of Drew's utter villainy, that he felt justified in bending the facts as he chose.

How is it, then, that this deliberately deceitful text, so fraught with errors and malice, has endured over the decades, resurrected in a variety of editions (some with the editor's note, some without) that scholars have used with caution but never with scorn—finally even inspiring an unmemorable 1937 RKO movie focused not on Drew but on Fisk, as well as a 1943 German translation meant to fuel Nazi propaganda's denunciation of American capitalism? For one thing, it has been the only full-length book on Drew; no other substantial source was available. And if even the most vigilant scholars have given it the benefit of a doubt, one must credit White's remarkable success in re-creating the idiom of his subject.

Himself born and raised in rural New York, White deftly fashioned a rustic speech of short, simple sentences rich in homespun imagery that closely approximated the language of the real Daniel Drew. It is hard not to hear an old ex-drover speaking when the Drew of the narrative tells of a Bull's Head customer getting "mad as a Durham bull," boasts that "I had the sow by the ear," tells how Erie stock "dropped like a dead heifer," and to justify his insider speculations, insists that "when you own a cow, you own her milk also."¹⁰ Vivid, concrete images permeate the book, lending it color and charm, and on occasion rise almost to the level of poetry: "To speckilate in Wall Street when you are no longer an insider, is like buying cows by candlelight" (p. 423). Shrewdly, White sensed that for all his piety Uncle Daniel was not a Bible spouter but a cattle man whose speech was concrete and savory. The Daniel Drew that he conveys is a caricature, but the idiom that he speaks rings true. It is a pity that in this, his most readable and least dated work, White squandered his creative powers on a hoax.

Bouck White's subsequent career was a chain of violent explosions followed by a long quiescence. In 1911 Doubleday, Page & Company published his next book, *The Call of the Carpenter*, which presents Christ as a working-class labor organizer preaching social revolution against Roman imperialism, so unorthodox a view that the Congregational church expelled him. In 1913 he was arrested while assisting some

striking garment workers in Brooklyn whom he claimed had been menaced by thugs. Then in the following year he moved to Manhattan and established the Church of the Social Revolution, whose membership of agnostic socialists and anarchists he led in weekly parades behind a blazing red banner and to whom he preached sermons less Christian than revolutionary in spirit. In 1914 he was jailed for six months for disrupting services at John D. Rockefeller's Baptist church on Fifth Avenue, while in 1916 he served thirty days for burning the American flag in a public gesture of internationalism. Thereafter he was expelled by the Socialist Party for indiscipline, and when the United States entered World War I he reversed himself and urged pacifists to support the struggle. By 1919 he was advocating the reorganization of society through a world federation of small city-states, to further which he proposed that New York City secede and become an independent municipal republic.

After a decade of provocative gestures and strident rhetoric, White had failed to change the world in the slightest. Going to Paris in 1921, he married a young French girl and brought her back to the United States to live with him in a shack in the Catskill Mountains. Fast wearying of rustic simplicity and her husband's politics, she initiated a sensational divorce suit in the course of which White's neighbors, scandalized by his radicalism, dragged him from his shack one night to tar and feather him. Thereafter, mindful of the example of Christ, a carpenter who had worked with his hands, White went back to Europe to study pottery-making techniques. Returning in 1932, he bought a small plot of land in the Helderberg Mountains west of Albany, where with his own hands he built a curious limestone castle and lived in it with two Swedish assistants, making pottery.

Thirteen years he spent on the mountain, becoming the legendary "Hermit of the Helderbergs": a bronzed, healthy, balding recluse who claimed descent (quite falsely) from the Iroquois and subsisted by selling pottery to visitors. He hoped to die there in his cliffside retreat, from which on clear days he could see a hundred miles in three directions, but in 1946 illness forced him to leave his mountain for a home for aged men near Albany, after which he paid only rare visits to the site. He died in the home on January 7, 1951, aged seventy-six. In accordance with his last wishes, his body was cremated and the ashes scattered in a cleft near his castle.

Notes

The following abbreviations have been used:

- ARJ *American Railroad Journal*, New York, N.Y.
BS *Brewster Standard*, Brewster, N.Y.
CA *Christian Advocate*, New York, N.Y.
PCC *Putnam County Courier*, Carmel, N.Y.

Unless otherwise indicated, other newspapers cited were published in New York City.

Prologue

1. William W. Fowler, *Ten Years in Wall Street; or, Revelations of Inside Life and Experience on 'Change* (Hartford, Conn., 1870), p. 443.

CHAPTER 1. *Beginnings*

1. Mrs. Alvin Behr, historian of the township of Kent, has discovered the stone foundations of another old house lying a short distance to the north and east of the Northrup house, usually submerged by the waters of a reservoir but on occasion visible from the present Nichols Road. In her opinion, these foundations mark the true site of the Gilbert Drew homestead.
2. In 1812 the southern part of Dutchess County was organized as the new county of Putnam, with the small village of Carmel as its county seat.
3. *Tribune*, 19 Sept. 1879.

CHAPTER 2. *Circus and Drover Days*

1. William S. Pelletreau, *History of Putnam County, New York* (1886; reprint, Brewster, N.Y.: Landmarks Preservation Committee of Southeast Museum, 1975), p. 690n.

CHAPTER 3. *King of the Bull's Head Tavern*

1. Presumably from Drew + Clift, but certain later variants of the name, such as Drewcliff, Drewscliffe, and others, may indicate awareness of the family's alleged

descent from a knightly family of Drew living at a place called Drewscliff in Devonshire.

2. *Tribune*, 19 Sept. 1879.
3. On the night of June 2, 1841, a fire destroyed most of the Bull's Head Tavern and its adjacent buildings, with a great loss of animals as well. The brick wall fronting Third Avenue survived, however, and the hotel was rebuilt. In 1848 the cattle market moved north to Forty-fourth Street, and the Bull's Head became the center of the horse market. It survived into this century as a working men's hotel and was demolished in 1906.

CHAPTER 4. *Into Steamboating*

1. *Commercial Advertiser*, 20 June 1831.
2. Rev. J. McClintock, "Daniel Drew, Esquire, of New York," *Ladies Repository* 19 (Sept. 1859), p. 515.
3. Frances Trollope, *Domestic Manners of the Americans* (Gloucester, Mass.: Peter Smith, 1974), p. 352.
4. Charles Dickens, *American Notes and Pictures from Italy* (London: Oxford Univ. Press, 1957), p. 246.
5. *The Diary of Philip Hone* (New York: Dodd, Mead, 1927), pp. 138-39.
6. McClintock, "Daniel Drew, Esquire," p. 514.

CHAPTER 5. *Top Dog on the River*

1. The length recorded in the official Custom House enrollment of a vessel differed from the overall length announced (and often exaggerated) by the owner. The tonnage of the enrollment represented a cubic measurement, not the vessel's weight.
2. *Tribune*, 12 Oct. 1846.
3. *Evening Post*, 27 Dec. 1849.

CHAPTER 6. *Wall Street*

1. *Tribune*, 19 Sept. 1879.
2. From George G. Foster's anonymously published *New York in Slices: By an Experienced Carver* (New York, 1849), p. 116.
3. McClintock, "Daniel Drew, Esquire," p. 516.
4. *CA*, 2 Oct. 1879.
5. *Ibid.*
6. Bishop William Lawrence, "The Relation of Wealth to Morals," in *The World's Work* 1 (Jan. 1901), pp. 286, 290.

CHAPTER 7. *Enter the Iron Horse*

1. McClintock, "Daniel Drew, Esquire," p. 515.
2. *The Diary of George Templeton Strong*, vol. 2, eds. Allen Nevins and Milton H. Thomas (New York: Macmillan, 1952), p. 17.
3. *ARJ*, 21 May 1853.
4. *Evening Mail*, 14 Nov. 1867.

CHAPTER 8. *The Best Friend a Railroad Ever Had*

1. E. H. Mott, *Between the Ocean and the Lakes: The Story of Erie* (New York: Ticker Publishing Co., 1908), p. 105.
2. *Evening Mail*, 15 Nov. 1867.
3. Strong, *Diary*, vol. 2, pp. 355-56.
4. McClintock, "Daniel Drew, Esquire," p. 516.
5. Robert Sobel, *Panic on Wall Street* (London: Macmillan, 1968), p. 108.

CHAPTER 9. *Wartime*

1. *Herald*, 5 Dec. 1859.
2. McClintock, "Daniel Drew, Esquire," p. 517.
3. F. B. Carpenter, *Six Months at the White House with Abraham Lincoln* (New York, 1866), p. 84.
4. W. A. Croffut, *The Vanderbilts and the Story of Their Fortune* (Chicago and New York, 1886), p. 72.
5. Croffut, *Vanderbilts*, pp. 77-78.
6. Fowler, *Ten Years in Wall Street*, p. 351.
7. Croffut, *Vanderbilts*, p. 79.
8. Richard B. Kimball, "The Career of a Great Speculator," in *Frank Leslie's Popular Monthly*, Dec. 1879, p. 646.
9. Fowler, *Ten Years in Wall Street*, p. 356.
10. Fowler, *Ten Years in Wall Street*, p. 406.
11. Croffut, *Vanderbilts*, p. 79.

CHAPTER 10. *The Virtuoso of Erie*

1. David Lear Buckman, *Old Steamboat Days on the Hudson River*, rev. ed. (New York: Grafton Press, 1909), pp. 62-63.
2. *ARJ*, 2 Feb. 1861.
3. *Evening Mail*, 15 Nov. 1867.
4. Fowler, *Ten Years in Wall Street*, pp. 438-39.
5. Charles H. Haswell, *Reminiscences of an Octogenarian of the City of New York (1816 to 1860)* (New York: Harper & Brothers, 1896), p. 485.
6. Fowler, *Ten Years in Wall Street*, pp. 217-18.
7. Fowler, *Ten Years in Wall Street*, p. 124.

CHAPTER 11. *A Seminary, an Injunction, and a Loan*

1. Bouck White, *Book of Daniel Drew* (1910; reprint, Larchmont, N.Y.: American Research Council, 1965), p. 310. White is confirmed by William H. Drew in the *World*, 25 Apr. 1910.
2. *CA*, 2 Oct. 1879.
3. *Ibid.*
4. *Ibid.*
5. *Ibid.*
6. William A. Croffut, *An American Procession, 1855-1914: A Personal Chronicle of Famous Men* (Boston: Little, Brown, and Co., 1931), p. 278.
7. Matthew H. Smith, *Sunshine and Shadow in New York* (Hartford, 1868), pp. 525-26.
8. From McClintock's address at the seminary's opening, reported in the *Methodist*, 16 Nov. 1867.
9. *Methodist*, 3 Feb. 1866.
10. *CA*, 2 Oct. 1879.
11. Fowler, *Ten Years in Wall Street*, p. 472.
12. *Tribune*, 7 Apr. 1866.
13. *Herald*, 30 May 1866.
14. *Herald*, 4 June 1866; *Commercial Advertiser*, quoted in the *Times* of June 3 and 5, 1866.
15. Fowler, *Ten Years in Wall Street*, p. 468.

CHAPTER 12. *Uncle Daniel's Little Railroads*

1. *World*, 26 Apr. 1867.
2. *PCC*, 26 Nov. 1864.
3. *Times*, 9 Aug. 1864.

4. Croffut, *Vanderbilts*, p. 81.
5. *Documents of the Assembly of the State of New York*, 90th sess., 1867, vol. 2, p. 207.
6. *Ibid.*, p. 202.
7. *Albany Evening Journal*, 24 Sept. 1867.
8. The coup de grâce to the Athens branch came on the night of June 18, 1876, when a conflagration destroyed the entire terminal, following which most of the rails were taken up and the White Elephant became only a memory.

CHAPTER 13. *The Great Erie War: Preliminaries*

1. *Tribune*, 6 Mar. 1871, quoting testimony before a New York State Assembly investigating committee in March 1869.
2. R. W. McAlpine, *The Life and Times of Col. James Fisk, Jr.* (New York, 1872), p. 46.
3. Rev. George R. Crooks, "Historical Review of the Twenty-Five Years," in *Proceedings of the Celebration of the Twenty-fifth Anniversary of the Founding of Drew Theological Seminary, October 26, 1892* (New York, 1892), pp. 20-21.
4. *Methodist*, 16 Nov. 1867.
5. *Ibid.*
6. McAlpine, *Fisk*, p. 60.
7. Fowler, *Ten Years in Wall Street*, p. 496.

CHAPTER 14. *The Battle of Wall Street*

1. Matthew Hale Smith, *Twenty Years among the Bulls and Bears of Wall Street* (Hartford, 1870), p. 125.
2. Charles Francis Adams, Jr., "A Chapter of Erie," in Charles Francis Adams, Jr. and Henry Adams, *Chapters of Erie* (1871; reprint, Ithaca, N.Y.: Cornell University Press, 1968), p. 10.
3. McAlpine, *Fisk*, p. 75.
4. *Herald*, 6 Mar. 1868.
5. Fowler, *Ten Years in Wall Street*, p. 500.
6. Anon., *A Life of James Fisk, Jr.* (New York, 1871), p. 85.
7. Croffut, *Vanderbilts*, p. 91.

CHAPTER 15. *The Battles of Fort Taylor*

1. *Times*, 14 Mar. 1868.
2. *Herald*, 15 Mar. 1868.
3. *Ibid.*
4. *World*, 14 Mar. 1868.
5. *Herald*, 15 Mar. 1868.
6. *World*, 14 Mar. 1868.
7. *Times*, 15 Mar. 1868.
8. *Sun*, 18 Mar. 1868.
9. *Times*, *Tribune*, and *Herald*, 17 Mar.; *World*, 18 Mar.; *Sun*, 20 Mar. 1868.
10. *Herald*, 19 Mar. 1868.
11. *Ibid.*
12. W. A. Swanberg, *Jim Fisk: The Career of an Improbable Rascal* (New York: Scribner's, 1959), p. 258. Mansfield testified in a libel suit that she brought against Fisk.
13. *Jersey City Daily Times*, 20 Mar. 1868.
14. Adams, *Chapters of Erie*, p. 43.
15. *Herald*, 28 Mar. 1868.
16. *Documents of the Senate of the State of New York*, 92nd sess., 1869, p. 109.

CHAPTER 16. *The Battle of Albany*

1. Mott, *Between the Ocean and the Lakes*, p. 152.
2. Editorial, *Tribune*, 28 Mar. 1868.
3. *Ibid.*
4. *Tribune*, 3 Apr. 1868.
5. Editorial, *Tribune*, 4 Apr. 1868.
6. Croffut, *Vanderbilts*, p. 95.
7. *World and Tribune*, 16 Apr. 1868.
8. Swanberg, *Jim Fisk*, p. 59.

CHAPTER 17. *Negotiations and Peace*

1. McAlpine, *Fisk*, p. 124.
2. Minutes, Board of Trustees, Drew Theological Seminary, 23 Apr. 1868.
3. Adams, *Chapters of Erie*, p. 41.
4. McAlpine, *Fisk*, p. 486.
5. McAlpine, *Fisk*, pp. 184–86. This is Fisk's testimony of March 17 and 18, 1870, reported also in the New York City dailies of March 18 and 19.
6. McAlpine, *Fisk*, p. 186.
7. McAlpine, *Fisk*, pp. 188–89.
8. McAlpine, *Fisk*, p. 192.
9. Board of Directors Minutes, Erie Railway Company, 10 July 1868.
10. Croffut, *Vanderbilts*, p. 97.
11. Charles Francis Adams, "The Erie Railway Row," *American Law Review*, Oct. 1868, pp. 85, 84.

CHAPTER 18. *The Greenback Lockup*

1. *Herald*, 19 Nov. 1868.
2. *Times*, 19 Nov. 1868. The text has been edited slightly for the sake of readability.
3. *Herald*, 23 Nov. 1868.
4. *Herald*, 22 Nov. 1868.

CHAPTER 19. *Respite and Return*

1. *Tribune*, 19 Sept. 1879.
2. *PCC*, 4 Mar. 1871.
3. *Herald*, 21 Nov. 1869.
4. Edward C. Stedman, ed., *The New York Stock Exchange* (1905; reprint, New York: Greenwood Press, 1969), p. 243.
5. *Herald*, 20 Sept. 1872.
6. *Tribune*, 26 Sept. 1872.
7. *Herald*, 24 Nov. 1872.
8. *Ibid.*
9. *Times*, 24 Nov. 1872.
10. Henry Clews, *Twenty-eight Years in Wall Street* (New York, 1887), p. 143.
11. *Sun*, 27 Nov. 1872.
12. *Sun*, 26 Nov. 1872.
13. *Sun*, 27 Nov. 1872.

CHAPTER 20. *Uncle Daniel Buys the Dream*

1. *BS*, 23 Aug. 1873.
2. Quoted in *Frank Leslie's Illustrated Newspaper*, 4 Oct. 1873.
3. *PCC*, 18 Oct. 1873.

CHAPTER 21. *The Last Great Caper*

1. *Times*, 18 Mar. 1875.
2. *Times*, 20 Mar. 1875.

3. *Sun*, 31 Mar. 1875.
4. *Daily Graphic*, 31 Mar. 1875.
5. *Daily Graphic*, 28 May 1875.

CHAPTER 22. *Bankruptcy*

1. Bankruptcy file, Drew's testimony of 20 June 1876.
2. Albert Osborn, *John Fletcher Hurst: A Biography* (New York: Eaton & Mains, 1905), p. 204.
3. Minutes, Board of Trustees, Drew Theological Seminary, 17 Feb. 1876.
4. Minutes of the Executive Committee, Board of Trustees, Wesleyan University, 21 Feb. 1876.
5. *Tribune*, 19 Sept. 1879. The interview seems not to have been published at the time of Drew's bankruptcy.
6. *CA*, 2 Oct. 1879.
7. *CA*, 18 Sept. 1911. The complete hymn includes five stanzas.
8. *Sun*, 7 Apr. 1876.
9. *Herald*, 11 May 1876.
10. *World*, 9 Mar. 1878.
11. Bankruptcy file, testimony of 20 June 1876.
12. *Ibid.*
13. *Tribune*, 23 June 1876.

CHAPTER 23. *The Oldest Man on the Street*

1. *BS*, 1 Sept. 1876.
2. *Sun*, 22 Nov. 1876.
3. *Ibid.*
4. *Autobiography of Charles Force Deems, D.D., LL.D., Pastor of the Church of the Strangers, New York City, and President of the American Institute of Christian Philosophy, and Memoir by His Sons, Rev. Edw. M. Deems, A.M., Ph.D., and Francis M. Deems, M.D., Ph.D.* (New York, 1897), p. 268.
5. *Ibid.*, p. 271.
6. Minutes, Board of Trustees, Drew Theological Seminary, 16 May 1877.
7. *CA*, 8 Nov. 1877.
8. Clews, *Twenty-eight Years*, p. 152.
9. *Herald*, 5 Feb. 1878.
10. *World*, 9 Mar. 1878.
11. *CA*, 25 Sept. 1879.
12. *CA*, 25 Sept. 1879.
13. *CA*, 22 May 1879.
14. *Sun*, 19 Sept. 1879.
15. *Albany Argus*, 20 Sept. 1879; *CA*, 25 Sept. 1879.

Appendix. White's "Book of Daniel Drew"

1. White, *Book of Daniel Drew*, p. xii.
2. *Ibid.*, p. xiii.
3. *Ibid.*, pp. 6, 128, 390, 306-7, 188-89.
4. *World*, 26 Apr. 1910.
5. *Brooklyn Daily Eagle*, 25 Apr. 1910.
6. *Brooklyn Daily Eagle*, 29 Apr. 1910.
7. *World*, 29 Apr. 1910.
8. Clews, *Twenty-eight Years*, pp. 121, 134-35, 122-23, 155.
9. Fowler, *Ten Years in Wall Street*, pp. 142, 214-15.
10. White, *Book of Daniel Drew*, pp. 63, 152, 231, 221.

Bibliography

Preliminary Note

The only full-length book on Daniel Drew is Bouck White's *Book of Daniel Drew* (1910; reprint, Larchmont, N.Y.: American Research Council, 1965), hereafter cited as White. This is a fraudulent fictional narration that purports to be Drew's edited autobiography (see Appendix).

Useful contemporary biographical sketches include Rev. J. McClintock, D.D., "Daniel Drew, Esquire, of New York," in the *Ladies Repository* 19 (Sept. 1859), pp. 513-17, cited hereafter as McClintock, which, based on information from Drew, is the best account of the early part of his career; an unsigned sketch in the *New York Evening Mail* of November 14 and 15, 1867; the obituaries in the New York City dailies of September 19, 1879; and Richard B. Kimball, "The Career of a Great Speculator," in *Frank Leslie's Popular Monthly*, 8 (Dec. 1879), pp. 641-49, 652.

No manuscript in Drew's handwriting survives, except his signature on documents. Being semiliterate, he almost never wrote letters, and the few that he did write were illegible.

The following abbreviations have been used throughout:

ARJ *American Railroad Journal*, New York, N.Y.

BS *Brewster Standard*, Brewster, N.Y.

CA *Christian Advocate*, New York, N.Y.

DAB *Dictionary of American Biography*

PCC *Putnam County Courier*, Carmel, N.Y.

Unless otherwise indicated, other newspapers cited were published in New York City.

CHAPTER 1. *Beginnings*

Genealogical information on Gilbert Drew can be found in Ella Drew, *The Drews of Sussex County, New Jersey* (undated); Dr. A. E. Tepper, "Supplement to *The Drews of Sussex County, New Jersey*, by Ella Drew," (1966), a typed

manuscript deposited with the New Hampshire Historical Society at Concord, N.H.; Ralph D. Phillips, "Drew Family of Putnam County, N.Y.," (undated), a typed manuscript deposited with the New York Public Library; and Ralph D. Phillips, "Gilbert Drew, His Wives and Children," *New York Genealogical and Biographical Record* 101 (1970): 82-86. Ella Drew tries to link Gilbert to certain Drews who settled in Massachusetts and New Hampshire in the seventeenth century, and through them to the Drews of Devonshire in England. The Tepper paper corrects certain of her errors, and after a prolonged investigation concludes that the date and place of birth and the parentage of Gilbert Sr. remain unknown. The Phillips articles are useful, but the one printed in 1970 has many errors regarding Daniel Drew and his children.

Further genealogical information on the Putnam County Drews and their relations is found in Barbara Smith Buys, *Old Gravestones of Putnam County, New York* (Baltimore: Gateway Press, 1975).

The story of Catherine Muckelworth's adoption by the Lawrence family appears in the Ralph D. Phillips manuscript cited above. Although the writer has not been able to confirm this story, it seems plausible and explains why Catherine used two surnames.

The standard source for early Putnam County history is William S. Pelletreau, *History of Putnam County, New York* (1886; reprint, Brewster, N.Y.: Landmarks Preservation Committee of Southeast Museum, 1975), cited hereafter as Pelletreau.

For the spirit of early Methodism, see William W. Sweet, *Religion on the American Frontier, 1783-1840*, volume 4, *The Methodists: A Collection of Source Materials* (New York: Cooper Square Publishers, 1964); the same author's *Story of Religion in America* (New York: Harper & Row, 1950); and Charles A. Johnson, *The Frontier Camp Meeting* (Dallas: Southern Methodist Univ. Press, 1955). Although especially concerned with the frontier, these books are also relevant for Methodism in the East. The coming of Methodism to Putnam County is best treated in a brief paper by the Rev. W. C. Smith, "Introduction of Methodism into Putnam County, New York," *Brewster Standard*, 5 Aug. 1932; Daniel Drew is mentioned specifically.

Gilbert Drew's will is on file at the Dutchess County Surrogate's Court in Poughkeepsie, N.Y.

Information about Daniel and Thomas Drew's service in the War of 1812 comes from their pension, bounty land warrant application, and military records in the National Archives in Washington, D.C.; and from their claims for compensation on file with the Bureau of War Records maintained by the Division of Military and Naval Affairs in Albany, N.Y. Background information is provided by R. S. Guernsey, *New York City and Vicinity during the War of 1812-15* (New York, 1895).

CHAPTER 2. *Circus and Drover Days*

There is no book wholly devoted to the Eastern drover. For the drover's trade viewed in a larger perspective, see Clarence H. Danhof, *Change in Agriculture: The Northern United States, 1820-1870* (Cambridge, Mass.: Harvard Univ. Press, 1969); and Percy W. Bidwell and John I. Falconer, *History of Agriculture in the Northern United States, 1620-1860* (New York: Peter Smith, 1941). There is a good treatment of drovers and highway life in New York State in Alexander C. Flick, ed., *History of the State of New York*, vol. 5 (New York: Columbia Univ. Press, 1934), chap. 8, "The Turnpike Era," by Oliver W. Holmes. For details specific to Putnam County, see "Putnam County History: 'Work Shop,'" papers produced at the first to third workshops organized by Horace E. Hillery, Putnam County historian, 1954-57, vol. 2 *passim*.

The early American circus is treated in Isaac J. Greenwood, *The Circus: Its Origin and Growth Prior to 1835* (New York, 1898); Earl Chapin May, *The Circus from Rome to Ringling* (New York: Duffield and Green, 1932); R.W.G. Vail, *Random Notes on the History of the Early American Circus* (Barre, Mass.: Barre Gazette, 1956); and George L. Chindahl, *A History of the Circus in America* (Caldwell, Idaho: Caxton Printers, 1959). Drew's circus experience and the conversion that ended it are related briefly in the *Herald* obituary.

For the old Bull's Head, see Thomas F. De Voe, *The Market Book* (New York, 1862), which discusses the butchers and old markets of New York in charming detail; also Alvin F. Harlow, *Old Bowery Days* (New York and London: D. Appleton, 1931).

There are somewhat different versions of the lightning incident. The one in McClintock is followed here because his article is the earliest, and he probably got the story straight from Drew.

For Henry Astor, see De Voe, *The Market Book*, and Harlow, *Old Bowery Days*, as well as brief mentions in Arthur D. Howden Smith, *John Jacob Astor* (Philadelphia: Lippincott, 1929). White tells the stock-watering story on pp. 42-60. Drew's honesty as a drover is mentioned in the *Times* and *Herald* obituaries. Pelletreau attributes the term "water stock" (*sic*) to Drew (p. 690n). Perhaps the first to attribute the practice itself to Drew as a drover, although without mention of Henry Astor, was the banker Henry Clews in *Twenty-eight Years in Wall Street* (New York, 1887), p. 121—a work that White certainly knew. Drew's son William H. Drew discounts the story in an interview in the *World*, 25 Apr. 1910.

McClintock states that Drew came to the Bull's Head in 1829, but Drew's name does not appear in the tavern license cash book for 1829-30, which is preserved in the Municipal Archives of New York City. Since he sold his Putnam County farm on April 1, 1830, he probably took over at the Bull's Head on May 1, the traditional date for new leases.

CHAPTER 3. *King of the Bull's Head Tavern*

For Mrs. Trollope's comments on America, prompted by her visit of 1827-31, see Frances Trollope, *Domestic Manners of the Americans* (Gloucester, Mass.: Peter Smith, 1974), *passim*. The growth of New York City's commerce is studied in depth by Robert Greenhalgh Albion, *The Rise of New York Port: 1815-1860* (New York: Scribner's, 1939).

The best source for the Bull's Head under Daniel Drew is C. C. Buel, "At the Old Bull's Head," *Scribner's Monthly* 17 (1879), an article that preceded Drew's death and draws on old-timers' recollections. Other details come from a short article in the *Tribune* of October 11, 1894, and from the New York City dailies of June 3, 1841, reporting the fire at the Bull's Head on the day preceding.

There are no detailed descriptions of market day at the Bull's Head, but it would not have differed appreciably from the later New York City market described briefly in "The Cattle Trade of New York," in *The Plough, the Loom, and the Anvil* 1 (1848); or from the 1840 Brighton market, its New England equivalent, described in Nathaniel Hawthorne's *American Note Books*. White's treatment of the Bull's Head (pp. 61-77) is rich in detail that may derive from valid sources or from a visit to the building shortly before its demolition in 1906; but it is rich in errors, too.

The Ohio cattle trade has been well researched, notably by Paul C. Henlein, *Cattle Kingdom in the Ohio Valley: 1783-1860* (Lexington: Univ. of Kentucky Press, 1959). See also the invaluable recollections of William Renick in *Memoirs, Correspondence and Reminiscences* (Circleville, Ohio, 1880); I. F. King, "The Coming and Going of Ohio Droving," *Ohio Archaeological and Historical Quar-*

terly 17 (1908); Robert L. Jones, "The Beef Cattle Industry in Ohio Prior to the Civil War, pt. 2," *Ohio Historical Quarterly*, July 1955.

For the trans-Allegheny trails, see above all the firsthand recollections of John S. Orr, "The Three Mountain Road," *The Kittochtinny Historical Society Papers* 5 (1908); also Minnie Dubbs Millbrook, "Three Mountain Cattle Trail," *The Westerners. New York Posse. Brand Book*, vol. 5, no. 2 (1958); and Harry S. Drago, *Great American Cattle Trails* (New York: Dodd, Mead, 1965). Philip D. Jordan, *The National Road* (Gloucester, Mass.: Peter Smith, 1966) provides a good over-all picture of life on the Western roads.

Drew's own trans-Allegheny drives are related briefly in the McClintock article and the obituaries (especially the *Herald* and the *Tribune*). Henlein places Drew's first trans-Allegheny drive in 1818 or 1819 (*Cattle Kingdom*, p. 115), but in this he is surely mistaken. White's account (pp. 77-86) is imaginative, but because it accepts Drew's claim to have made the first drive over the mountains, he describes the circumstances as unduly primitive and desolate; by the time of Drew's drive, inns existed along most of the way and pasture was generally available.

CHAPTER 4. *Into Steamboating*

Basic sources for Hudson River steamboating include John H. Morrison, *History of American Steam Navigation* (New York: W. F. Sametz, 1903); David Lear Buckman, *Old Steamboat Days on the Hudson River*, rev. ed. (New York: Grafton Press, 1909); Fred Erving Dayton, *Steamboat Days* (New York: Frederick A. Stokes, 1925); Robert Greenhalgh Albion, *The Rise of New York Port: 1815-1860* (New York: Scribner's, 1939), chap. 8; Carl D. Lane, *American Paddle Boats* (New York: Coward-McCann, 1943); and Frank Donovan, *River Boats of America* (New York: Thomas Y. Crowell, 1966). Although its focus is not on Drew's People's Line, Donald C. Ringwald's *Hudson River Day Line* (Berkeley, Calif.: Howell-North Books, 1965) has useful information, including illustrations and a bibliography.

Further information on individual vessels can be obtained from Erik Heyl, *Early American Steamers*, 6 vols. (Buffalo, N.Y.: the author, 1953-69), which contains some errors; the veteran marine engineer George W. Murdock's articles in the scrapbooks of the Murdock Collection at the New York Historical Society in New York City; and the successive certificates of enrollment originally filed for each vessel in the various federal custom houses, and now available at the National Archives in Washington, D.C.

The *General Jackson* explosion and its aftermath were reported in the *Evening Post* of June 8 and 14, and the *Commercial Advertiser* of June 8-10, 15, and 20, 1831. Brief accounts of the *Water Witch*, sometimes mutually contradictory in details, are found in McClintock; the *Herald* obituary, 19 Sept. 1879; the Murdock Collection; and Charles H. Haswell, *Reminiscences of an Octogenarian of the City of New York (1816 to 1860)* (New York: Harper & Brothers, 1896). Cornelius Vanderbilt's later version of the story, included in a biographical sketch of him in *Harper's Weekly* (5 Mar. 1859), has Cornelius heroically confront the unreasoning fury of the public and gradually win out against a monopoly charging a higher fare. Drew's own 1859 account in McClintock naturally gives no hint of a betrayal, nor does it describe the public's fury against Jacob Vanderbilt, with whom Drew by then had business dealings. The account presented here attempts to reconcile all these sources with the aid of contemporary newspapers and the certificates of enrollment.

Wheaton J. Lane, *Commodore Vanderbilt: An Epic of the Steam Age* (New York: Knopf, 1942) provides an excellent account of Cornelius Vanderbilt's busi-

ness career. It can be supplemented by the interviews with Vanderbilt's contemporaries in the *Herald* of January 7, 1877.

The account of the origin of both Vanderbilt's and Drew's People's Line is based mostly on contemporary newspapers. Who owned the *Westchester* in 1835 cannot be stated with certainty, since no copy of the relevant certificate of enrollment survives. The story of Drew's cheating the Hudson River Steamboat Association of \$8,000 is told by Haswell, *Reminiscences*, pp. 257-58.

CHAPTER 5. *Top Dog on the River*

For Isaac Newton, see *DAB* and the obituaries in the *Evening Post* and *Albany Evening Journal* of November 23; the *Tribune* and *Herald* of November 24; and the *Albany Argus* of November 25, 1858. The *De Witt Clinton's* ramming of the *Napoleon* is recounted in New York and Albany papers of June 15-17, 1840, and in the Murdock Collection's article on the *Napoleon*.

Information concerning the organization and history of the People's Line Association can be found in the original case files of *George Monteath v. Isaac Newton, Daniel Drew, and others*, preserved in the County Clerk's Office in Albany, N.Y. Included in the files are the text of the company's articles of association and other relevant documents.

The palace steamboat and the taste that created it are well treated in Russell Lynes, *The Tastemakers* (New York: Harper & Brothers, 1954), chap. 6. The *Hendrik Hudson* is mentioned in the *Evening Post* and *Tribune* of October 8, 1845; the *Isaac Newton*, in the *Herald* of October 9, the *Post* of October 10, and the *Tribune* of October 12, 1846; and the *New World*, in the *Herald* of June 11 and 12, the *Tribune* of June 14, and the *Evening Post* of June 13, 1849. The *New World's* record passenger load is reported in the *Albany Evening Journal* of September 5, 1850.

For a brief account of George Monteath, see Joel Munsell, *The Annals of Albany*, vol. 8 (Albany: J. Munsell, 1857), p. 332. The records of his case against the People's Line Association are preserved in Albany as stated above. Except for announcements and accounts of the sale, the New York and Albany papers seem scarcely to have mentioned the affair. The terms of Drew's settlement with Van Santvoord are recorded in the ledger of the Hudson River Steamboat Company (1845-69), preserved as part of the Hudson River Day Line Collection at the New York Historical Society.

CHAPTER 6. *Wall Street*

General histories of Wall Street include Robert Sobel, *The Big Board: A History of the New York Stock Market* (New York: Free Press, 1965); Edward C. Stedman, ed., *The New York Stock Exchange* (1905; reprint, New York: Greenwood Press, 1969); Henry Wysham Lanier, *A Century of Banking in New York: 1822-1922* (New York: George H. Doran, 1922); Francis Eames, *The New York Stock Exchange* (1894; reprint, New York: Greenwood Press, 1968). For a general study of New York City during this period, see Edward K. Spann, *The New Metropolis: New York City, 1840-1857* (New York: Columbia Univ. Press, 1981).

Drew's first Wall Street partnership is mentioned by McClintock and the *Evening Post* of September 19, 1879. Nelson Robinson's career is mentioned in *PCC*, 29 Mar. 1856, and in William Armstrong's anonymously published *Stocks and Stock-Jobbing in Wall-Street, with Sketches of the Brokers, and Fancy Stocks . . . By a Reformed Stock Gambler* (New York, 1848), which is also a useful source generally for Wall Street in the 1840s. For Jacob Little, see especially his obituary in the *Herald* of March 29, 1865.

Drew's 1841 conversion is described by McClintock; his feeling for his mother and his tearful public penitence are related in the funeral addresses of John Parker and Cyrus D. Foss in CA, 2 Oct. 1879. The Mulberry Street Church's history is related in Samuel A. Seaman, *Annals of New York Methodism* (New York, 1892); the old church records are now in the possession of the Saint Paul and Saint Andrew Methodist Church of New York.

Drew's interest in the New Jersey Steam Navigation Company and the Stonington line is recounted briefly by McClintock; Lane's *Commodore Vanderbilt*, chap. 4; and Morrison, *History of American Steam Navigation*, chap. 5. See also the steamboat ads of the day; *Annual Reports of the New York, Providence & Boston R.R. Co., 1833 to 1874* (Westerly, R.I., 1874); and Edward Chase Kirkland, *Men, Cities and Transportation: A Study in New England History, 1820-1900*, vol. 1 (Cambridge, Mass.: Harvard Univ. Press, 1948).

Drew's illness of circa 1851 is mentioned by him in BS, 1 Sept. 1876, and by his pastor of the time, Randolph Sinks Foster, who is quoted in Charles Fremont Sitterly, *The Building of Drew University* (New York: Methodist Book Concern, 1938), pp. 46-47. Foster's statement, made many years afterward, dates the illness somewhat later, but Drew's own account places it about 1851, when Foster was indeed his pastor.

CHAPTER 7. *Enter the Iron Horse*

The story of the Hudson River Railroad is told in chapters 9 and 10 of Edward Hungerford, *Men and Iron: The History of the New York Central* (New York: Thomas Y. Crowell, 1938). The effect of the railroad on Hudson River steamboating is discussed in Morrison, *American Steam Navigation*, pp. 156, 160, 165. For James Boorman, see DAB and the *Times* of January 26, 1866. John F. Stover, *Iron Road to the West: American Railroads in the 1850s* (New York: Columbia Univ. Press, 1978) surveys the burgeoning rail network of that decade, but errs in stating (p. 176) that the Hudson River steamboats of that period encountered no serious competition from the railroad.

For the accident on the *New World* and its aftermath, see Morrison, *American Steam Navigation*, pp. 113-16; the *Herald* of July 2, 1853; and the *Albany Daily Argus* of July 4, 1853.

The People's Line alliance with the New York Central is mentioned in Hungerford, *Men and Iron*, chap. 10, and in Edward Harold Mott, *Between the Ocean and the Lakes: The Story of Erie* (New York: Ticker Publishing, 1908), p. 123.

The act incorporating the New Jersey Steamboat Company is found in the *Acts of the Seventy-eighth Legislature of the State of New Jersey* (Mount Holly, N.J., 1854), pp. 166-69.

The renovated *New World* is described in the *Albany Journal* of September 7, 1855; its profits are reported in Joel Munsell, *The Annals of Albany*, vol. 10, p. 415.

For Drew's involvement in Lake Champlain steamboating, see The Champlain Transportation Company, *The Steamboats of Lake Champlain: 1809 to 1930*, Major Ogden J. Ross, ed. (n.p.: Press of the Delaware and Hudson Railroad, 1930), chaps. 6 and 7. A ticket for the Jenny Lind package deal appears as an illustration on p. 82 of Frank Donovan, *River Boats of America* (New York: Thomas Y. Crowell, 1966).

Drew and his daughter in Putnam County and the annual county fairs are reported in PCC of the 1850s. Drew's cattle raising is mentioned in the *Tribune Cattle Market Report* of November 20 and 27, 1856, and November 4, 1858, and in McClintock.

CHAPTER 8. *The Best Friend a Railroad Ever Had*

The standard history of the Erie Railroad is E. H. Mott, *Between the Ocean and the Lakes: The Story of Erie*, which reprints many primary sources in part or full and includes invaluable appendices. For the Erie crisis of 1854, see also the *Herald* and *Tribune* of late August and early September 1854, and *ARJ* of September 30, 1854.

There are obituaries of Nelson Robinson in the *Times* of March 25, 1856, and *PCC* of March 29, 1856. He is mentioned also in James K. Medbery, *Men and Mysteries of Wall Street* (1870; reprint, Wells, Vt.: Fraser Publishing, 1968), pp. 312-13, and in the sketch of Drew in the *Evening Mail* of November 15, 1867.

For the Panic of 1857 and what led to it, see chapter 3 of Robert Sobel, *Panic on Wall Street: A History of America's Financial Disasters* (New York: Macmillan, 1969) for a descriptive account, and George W. Van Vleck, *The Panic of 1857: An Analytical Study* (New York: AMS Press, 1967), for an analysis. Erie's issue of 5,000 shares of new stock is reported in the *Herald* of March 30, 1857.

The events of October 13, 1857, on Wall Street are recounted in the *Herald*, *Times*, and *Tribune* of October 14, and in Strong's diary entry for October 13. The painting in question is "Wall Street, half past 2 o'clock, October 13, 1857," by James H. Cafferty and Charles G. Rosenberg, which hangs in the Museum of the City of New York, and is reproduced on p. 263 of John A. Kouwenhoven, *The Columbia Historical Portrait of New York* (New York: Doubleday, 1953); a few figures are identified in the Museum's *Bulletin* of May 1940, pp. 68-72. Clews's comments on the Panic and Wall Street appear in chapter 1 of *Twenty-eight Years in Wall Street*.

CHAPTER 9. *Wartime*

Details of the Prince of Wales's visit are reported in various issues of the *Times*, *Herald*, *Post*, and *World*, and the *Albany Evening Journal* and *Atlas and Argus*, of October 15-18, 1860. The story of Drew's son standing in for the Prince of Wales was communicated to the author by Drew's great-granddaughter, Mrs. Dorothy Illingworth Pearsall.

For the wartime boom in the North, see Allan Nevins, *The War for the Union* (New York: Scribner's, 1959-71), vols. 2 and 3; and Emerson David Fite, *Social and Industrial Conditions in the North during the Civil War* (1910; reprint, New York: Frederick Ungar Publishing, 1963). Vessels bought or chartered by the Quartermaster's Department in the Civil War are listed in 40th Congress, 2d Sess., House of Representatives, Ex. Doc. 337.

Wall Street in the Civil War is described in Robert Sobel's *The Big Board, Panic on Wall Street*, and *The Curbstone Brokers: The Origins of the American Stock Exchange* (New York: Macmillan, 1970). Interesting pictorial material is found in Leonard Louis Levinson, *Wall Street: A Pictorial History* (New York: Ziff-Davis Publishing, 1961).

Invaluable details concerning wartime Wall Street are provided by the memoirs of the time: W. W. Fowler, *Ten Years in Wall Street*; James K. Medbery, *Men and Mysteries of Wall Street*; Henry Clews, *Twenty-eight Years in Wall Street*; and Matthew Hale Smith, *Twenty Years among the Bulls and Bears of Wall Street* (Hartford, 1870); all these works contain firsthand impressions of Drew.

The two Harlem Corners are recounted most accurately in Wheaton J. Lane, *Commodore Vanderbilt*, chap. 9, and Edward C. Stedman, ed., *The New York Stock Exchange*, chap. 12. Also useful, although not without errors, are W. A. Croffut, *The Vanderbilts and the Story of Their Fortune* (New York, 1886),

chap. 9 and p. 18, and, among the Wall Street memoirs just cited, Fowler, chaps. 11 and 21; Medbery, pp. 92-93, 162-63; and Clews, pp. 110-16, 128, 349.

For relevant contemporary newspaper accounts of the Second Harlem Corner, see the *Herald* of March 10, 16, April 20, 27, 30, May 15, and June 3, 1864; the *Times* of March 16 and April 22, 1864, and January 5, 1877; and the *Tribune* of March 24, April 23, 26, 29, 30, and May 17-19, 1864. Later sources often confuse the two Harlem Corners, or speak of them as if there had been only one.

CHAPTER 10. *The Virtuoso of Erie*

For contemporary accounts of the *St. John*, see the *Daily News* of February 16 and March 15; the *Evening Post* of March 14; and the *Tribune* and *World* of March 15, 1864. The *Dean Richmond* is described in the *Times* and *World* of July 28, 1865.

Drew's 1864 income was published in a list in the *Herald* of January 15, 1865. His settlement of the *Dean Richmond* claims is recounted in Matthew Hale Smith, *Twenty Years among the Bulls and Bears of Wall Street*, chap. 7. Information on the New Jersey Steam Navigation Company liquidation comes from Morrison, *American Steam Navigation*, pp. 291-94, and from law reports in the *Tribune* of December 12, 1874, and March 30, 1875, and the *Times* and *Tribune* of January 12, 1876.

Jim Fisk's meeting with Drew is related in the anonymous *A Life of James Fisk, Jr.* (New York, 1871), chap. 3, and R.W. McAlpine, *The Life and Times of Col. James Fisk, Jr.* (New York, 1872), chap. 6. In this and other regards, both accounts contain errors—especially the second, which is semifictional, with much obviously invented dialogue. Certain errors from these sources and Fisk's obituaries are repeated in W.A. Swanberg, *Jim Fisk: The Career of an Improbable Rascal* (New York: Scribner's, 1959), which even so is an excellent and most readable biography.

The reorganization of the New York and Erie Railroad Company as the Erie Railway Company is recounted in E.H. Mott, *The Story of Erie*, chap. 13; for critical comments on those involved, see *ARJ*, October 22 and 29, 1859.

Drew's 1860 coup in Erie stock is mentioned in the *Herald* of September 19, 1879, and Fowler, *Ten Years in Wall Street*, pp. 142-43. For the Erie Railway Steamboat Company, see the Articles of Association and other documents on file with the Department of State in Albany; *ARJ*, August 9, 1862; and the *Times* of December 8, 1868.

Drew's stock market operations of 1864-65 are recounted in Fowler, *Ten Years in Wall Street*, chaps. 28 and 31; James K. Medbery, *Men and Mysteries of Wall Street*, pp. 105-6; and the newspapers of the day, of which the following issues are especially useful: the *Herald* of May 22, July 29, August 2, 18, 21, 24, 25, 28, September 4, 11, 25, and October 2, 1865; the *Times* of January 22, March 22, April 9, July 12, 27, August 25, and September 3, 1865; and the *Tribune* of January 6, 25, July 27, and September 5, 1865.

For Leonard Jerome, see the *Times* of March 5, 1891, and Smith, *Twenty Years*, chap. 17 (an account not without inaccuracies). White's "Daniel says 'up'" saying (p. 154) was prompted by Fowler, *Ten Years in Wall Street*, p. 142.

The Uncle Daniel stories cited in the text are from Charles Haswell, *Reminiscences of an Octogenarian*, p. 485; Henry Clews, *Twenty-eight Years in Wall Street*, pp. 125-26; Fowler, *Ten Years in Wall Street*, pp. 217-18, 483-84; and Medbery, *Men and Mysteries of Wall Street*, pp. 83-86. The California Parker

story appears in White, pp. 190-97; Clews, pp. 155-56; and Fowler, pp. 252-53, 261.

CHAPTER 11. *A Seminary, an Injunction, and a Loan*

Testimony regarding Drew's piety and fervor appears in *CA*, October 2, 1879, which also includes the Rev. John Parker's reminiscences of Drew.

The founding of Drew Theological Seminary is best told by John T. Cunningham, *University in the Forest: The Story of Drew University* (n.p.: Afton Publishing, 1972). Useful firsthand testimony is provided by Cunningham's sources: Rev. George R. Crooks, "Historical Review of the Twenty-five Years," *Proceedings of the Celebration of the Twenty-fifth Anniversary of the Founding of Drew Theological Seminary, October 26, 1892* (New York, 1892); Ezra Squier Tipple, ed., *Drew Theological Seminary, 1867-1917: A Review of the First Half Century* (New York: Methodist Book Concern, 1917); and Charles Fremont Sitterly, *The Building of Drew University* (New York: Methodist Book Concern, 1938).

The corner in Old Southern is described in Fowler, *Ten Years in Wall Street*, chap. 30, and in the *Times, Herald, and Tribune* of April 5-9 and the *Times* of April 15, 1866.

Drew's operations in Erie in 1866-67, including his loan to the company, are reported in the *Herald* of May 29-31, June 1-5, and July 10 and 12, 1866; in the *Tribune* of May 31 and June 1, 1866; and in the *Times* of May 29-31, June 1-9, 16, and 29, July 11, 12, 18, and 27, and October 8-10, 1866, and January 26, 1867. Further details are provided by the minutes of the Erie board and executive committee; the *Times* of March 12, 1868, which prints Drew's affidavit of March 9; and the Pierce committee reports in *Documents of the Senate of the State of New York*, 91st sess., 1868, Doc. 67.

For William H. Marston and his operations in Erie, see Fowler, *Ten Years in Wall Street*, p. 468 and chap. 31; James K. Medbery, *Men and Mysteries of Wall Street*, pp. 190-91; and Marston's testimony in *White v. Drew*, reported in the *Herald* of November 23, 1876. White's anecdote, which calls Marston "Marsden," appears on pp. 354-58.

The erroneous impression that Drew pulled off a spectacular coup in Erie in May 1866 seems to have originated with James K. Medbery's article "The Great Erie Imbroglia," *Atlantic Monthly*, July 1868, and Charles Francis Adams, Jr.'s 1869 article "A Chapter of Erie," reprinted in Charles Francis Adams, Jr. and Henry Adams, *Chapters of Erie* (1871; reprint, Ithaca, N.Y.: Cornell Univ. Press, 1968). Adams's account (pp. 6-7) was accepted by E. H. Mott in chapter 14 of his history of Erie, *Between the Ocean and the Lakes*, which furthermore makes Vanderbilt a victim of Drew's 1866 operation (a circumstance verified by no contemporary source); sanctioned by Mott, this version of the story has been told ever since.

CHAPTER 12. *Uncle Daniel's Little Railroads*

The steamboat *Drew* is described in the *Albany Evening Journal* of April 24, the *Albany Argus* of April 25, and the *Times, Tribune, and World* of April 26, 1867.

Drew's connection with the Port Jervis church is recounted in information made available to the author by the Church History Committee of the Drew United Methodist Church of Port Jervis, N.Y. For Drew and his family in Putnam County, see Pelletreau and PCC of the 1860s. The construction of the Italian-villa-style mansion that William H. Drew later called Drewsliff has usually

been attributed to Drew, but he seems never to have used the Clift farm as a residence.

Information on the various railroads mentioned is found in Henry V. Poor's *History of the Railroads and Canals of the United States of America* (New York, 1860); his *Manual of the Railroads of the United States, for 1868-69* (New York, 1868); and *ARJ*.

An account of the Adirondack Company appears in Jim Shaughnessy, *Delaware & Hudson* (Berkeley, Calif.: Howell-North Books, 1967), chap. 6; and Harold K. Hochschild, *Doctor Durant and His Iron Horse* (Blue Mountain Lake, N.Y.: Adirondack Museum, 1961).

Information on the Buffalo, Bradford and Pittsburgh Railroad is found in Mott, *Between the Ocean and the Lakes*, pp. 142, 145, 148; in the testimony of J.C. Bancroft Davis and James M. Cross in *Documents of the Senate of the State of New York*, 91st sess., 1868, Doc. 67; and the testimony of Joseph W. Guppy in *Report of the Special Committee on Railroads* (Albany, 1880), 3, 2462-63.

For the Saratoga and Hudson River Railroad, see the Articles of Association filed with the Department of State in Albany; the board minutes of the New York Central Railroad for 1866 and 1867; the *Times* of March 19 and May 31, 1866, and July 20, 1867; *ARJ*, July 13 and 20, 1867; the *Albany Argus* and *Albany Evening Journal* of March-September 1867, passim; and the testimony of Horace F. Clark and Cornelius Vanderbilt in *Documents of the Assembly of the State of New York*, 90th sess., 1867, Doc. 19. Vanderbilt's reported backing of Hancox's Troy line is mentioned in Morrison, *American Steam Navigation*, pp. 132-33.

Vanderbilt's acquisition and management of the Harlem, Hudson River, and New York Central Railroads is recounted in Wheaton J. Lane, *Commodore Vanderbilt*, chaps. 9 and 10.

CHAPTER 13. *The Great Erie War: Preliminaries*

For the Erie election of October 1867 and the events leading up to it, see E.H. Mott, *Between the Ocean and the Lakes*, chap. 14; Charles Francis Adams, Jr., "A Chapter of Erie"; Lane, *Commodore Vanderbilt*, chap. 11; and the New York City dailies of October 8-10, 1867. Additional details are provided by Vice-president Diven's testimony before the Pierce committee, printed in the *Tribune* of March 26, 1868; and by Jay Gould's not altogether disinterested affidavit of March 25, 1868, also printed in the *Tribune* of March 26, 1868. The Boston, Hartford and Erie Railroad is described in the *Times* of June 10, 1867.

For Jim Fisk, see the works mentioned in chapter 10. Jay Gould's business career is best covered by Julius Grodinsky, *Jay Gould: His Business Career, 1867-1892* (Philadelphia: Univ. of Philadelphia Press, 1957), which can be supplemented by Edwin P. Hoyt, *The Goulds: A Social History* (New York: Weybright and Talley, 1969). Richard O'Connor's *Gould's Millions* (Garden City, N.Y.: Doubleday, 1962) is less scholarly than Grodinsky; earlier biographies add little. A biographical sketch of Gould in Mott, *Between the Ocean and the Lakes*, pp. 466-69, views Gould positively. Further details are provided by his loyal associate G.P. Morosini's "Reminiscences of Jay Gould" (1893), a manuscript at the New York Historical Society.

The organization and opening of Drew Theological Seminary is related in the works cited in chapter 11 and the minutes of the board of trustees. An account of the opening ceremonies is given in the *Methodist* of November 16, 1867.

For the growing antagonism between Drew and Vanderbilt in Erie, see ac-

counts in Mott, Adams, and Lane. Drew's Erie pool is also mentioned in Fowler, *Ten Years in Wall Street*, chap. 32, and in Gould's affidavit of March 25, 1868.

CHAPTER 14. *The Battle of Wall Street*

The later Vanderbilt is described in Lane, *Commodore Vanderbilt*; Edwin P. Hoyt, *Commodore Vanderbilt* (Chicago: Reilly & Lee, 1962); and Smith, *Twenty Years*.

For the Erie War of 1868 see Adams's "A Chapter of Erie" (the basic account, despite small inaccuracies); Mott, *Between the Oceans and the Lakes*, chap. 15 and appendices; Lane, chap. 11; W.A. Croffut, *The Vanderbilts and the Story of Their Fortune*, chap. 10; James K. Medbery, "The Great Erie Imbroglia," *Atlantic Monthly*, July 1868; the books on Fisk and Gould cited earlier; Fowler, *Ten Years in Wall Street*, chap. 32; the minutes of the Erie board and executive committee meetings; and the newspapers of the day, of which the *Herald*, *Times*, *Tribune*, and *World* are especially useful.

The innumerable injunctions are discussed in Charles Francis Adams, Jr.'s unsigned article, "The Erie Railroad Row," *American Law Review*, 3 (October 1868), pp. 41-86. Details of the new Erie convertible bond issue and its conversion into stock were revealed in testimony before the Senate's Pierce committee and the New York City courts, reported in the newspapers of March-May 1868, and in Drew's affidavit published in the *Herald* of November 18, 1868. For the full text of the Senate committee report, see *Documents of the Senate of the State of New York*, 91st sess., 1868, Doc. 67.

Fisk's tricking Drew into covering his shorts at a loss is told by Gould in his testimony in *The Erie Railway v. Cornelius Vanderbilt*, reported in the New York City papers of March 17, 1870. The flight of the Erie directors to New Jersey is recounted in Adams, pp. 29-30; Fowler, p. 502; the *Herald* of March 14 and 17, the *Tribune* of March 14, and *Harper's Weekly* of April 11, 1868.

CHAPTER 15. *The Battles of Fort Taylor*

For the Erie war generally, see the sources cited in chapter 14. For the directors in Jersey City and the kidnap threats, see the *Times* of March 14, 17, and 20; the *Herald* of March 15, 17-22, 27, and April 1; the *Tribune* of March 16-21 and 24; the *World* of March 14, 17, 20, 21, 26, and 27; the *Sun* of March 18 and 20; and *Harper's Weekly* of April 11, 1868. Additional information is found in the Jersey City papers of the same period: the *Evening Journal*, *American Standard*, and *Daily Times*.

The New Jersey Erie bill is mentioned in the New York City Dailies of March 20-31, 1868. The text of the bill appears in *Acts of the Ninety-Second Legislature of the State of New Jersey*, 1868, p. 550.

For the lobbying in Albany, see the *Times* of March 27, and the *Herald* of March 21, 23, and 28, 1868. Senator Mattoon's overtures to Erie are recorded in the testimony of Drew, Gould, Diven, and Mattoon himself before the Hale investigating committee, printed in *Documents of the Senate of the State of New York*, 92nd sess., 1869, Doc. 52.

CHAPTER 16. *The Battle of Albany*

For Jay Gould in Albany, see especially the *Herald* of April 15, 20, and 21, 1868. Elijah M.K. Glenn's accusations and the resulting assembly investigation are reported in the New York City papers of April 2-16, 1868, as well as in Adams and Mott. Details of the bribery in Albany are revealed in the Hale committee report: *Documents of the Senate*, 1869, Doc. 52. The work of the Pierce and

Hale committees is well covered in Mott's Appendix, "Under the Legislative Probe," pp. 447-51.

The *Tribune's* campaign against Drew is found in the issues of March 28 and April 3, 4, and 13, 1868. "Alpha"'s defense of Drew was published anonymously as Alpha, *The Erie Question* (n.p.: the author, undated).

The story of Vanderbilt's getting a message to Drew in Jersey City through a waiter is told by Henry Clews, *Twenty-eight Years in Wall Street*, pp. 134-35.

CHAPTER 17. *Negotiations and Peace*

Drew's taking the Erie money to New York is recounted by Gould and Fisk in their testimony in *The Erie Railway v. Cornelius Vanderbilt*, reported in the New York City papers of March 17 and 18, 1870; Drew denied it. A fuller account appears in R.W. McAlpine, *The Life and Times of Col. James Fisk, Jr.*, chap. 17, which surely adds fictional touches. The immediate reaction of Drew's colleagues in Jersey City is described in the April 30 issue of the *American Standard of Jersey City*.

Fisk's flight from Barnard's courtroom is reported in the *Tribune* of April 27 and the *Jersey City Daily Times* of April 30, 1868; the latter presumably misdates it.

Details of the Erie negotiations with Vanderbilt appear in the testimony of Vanderbilt, Drew, Gould, and Fisk in *The Erie Railway v. Cornelius Vanderbilt*, reported in the papers of November 21 and 30, 1869, and March 16-19, 1870.

CHAPTER 18. *The Greenback Lockup*

Gould and Fisk's operations in Erie of July-November 1868 and the lockup of greenbacks are treated by Adams, "A Chapter of Erie"; Mott, *Between the Ocean and the Lakes*, chap. 16; Julius Grodinsky, *Jay Gould*, chap. 3; and chap. 7 of the anonymous *A Life of James Fisk, Jr.* (1871). See also the New York dailies, especially the *Times* and *Herald*, of October-November 1868.

Fisk's affidavit recounting Drew's Sunday visit to the Erie offices appeared in the *Times* of November 19, 1868, and was corroborated by a briefer affidavit by Gould published in the *Times* of December 1. August Belmont's complaint and the accompanying affidavit by Drew appeared in the New York papers of November 18. Other details are found in the complaints of two Erie suits against Schell, Drew, and others published in the *Times* of November 25, 1868.

Two versions exist of the end of the Erie corner on November 19, 1868: the *Herald* of November 20 and 23 says that Drew capitulated and settled his contracts with the Erie clique, while the story of the ten-share certificates is told by Adams, by *A Life of James Fisk, Jr.*, and by Henry Clews's *Twenty-eight Years in Wall Street*, pp. 144-45, with some confirmation in the *Times* of November 20; the weight of the evidence favors the second version.

CHAPTER 19. *Respite and Return*

For the Methodists on Drew's Wall Street career, see especially CA, September 25, 1879.

William H. Drew's fat steers are mentioned in the *Tribune* of February 18 and March 2, the *Times* and *Sun* of February 19, and *Harper's Weekly* of March 6, 1869.

Information on the 1869 suit against Drew by his granddaughters is found in the file of *Louise R. Edey and others v. Daniel Drew and others* in the Hall of Records, New York City.

For Drew's relationship with the Vanderbilts and Charles F. Deems, see Lane, chap. 14, and the *Autobiography of Charles Force Deems . . . and Mem-*

oir by His Sons (New York, 1897), chap. 7.

For Fisk's career, see W.A. Swanberg, *Jim Fisk: The Career of an Improbable Rascal* (New York: Scribner's, 1959). The Vanderbilt bronze is described in Lane, pp. 226-27, and in the New York dailies of November 10 and 11, 1869. Vanderbilt's testimony in *The Erie Railway Company v. Cornelius Vanderbilt* appeared in the New York dailies on November 21, 1869; Drew's, on November 30, 1869 (the *Sun's* account is especially descriptive) and March 28, 1871; Fisk and Gould's, on March 16-18, 1870.

The Drew's golden wedding was reported in the New York dailies of March 5 and the *Methodist* of March 12, 1870. White's version, which has Drew make a rather boorish speech (pp. 351-52), was belied by Drew's son in the *World* of April 25, 1910.

William S. Woodward's failure in the Rock Island corner is reported in the New York dailies of June 22-24, 1871. Drew's treachery is not mentioned in the dailies, but is recounted by Edmund C. Stedman in *The New York Stock Exchange*, pp. 239-44. Drew's losses in Rock Island came to light in litigation between him and Stephen V. White reported in the *Brooklyn Eagle* of November 17, 1876.

Drew's contract for 50,000 Erie is reported in the papers of March 28 and 29, and August 6 and 7, 1872. The Drews at Long Branch are mentioned in the *Evening Mail* of July 6, 13, 22, 24, and 25, 1872. Drew's market operations of September 1872 are reported in the New York dailies. The quarrel between Smith and Gould is reported in the *Herald* of October 16 and November 23, 1872. For the corner in Northwestern, see the *Herald*, *Times*, *Tribune*, *Sun*, and *World* of late October and November 1872.

CHAPTER 20. *Uncle Daniel Buys the Dream*

For the Quicksilver Mining Company, see the annual reports of 1864 and 1869; *ARJ*, 1870-73; and the *Herald* of February 29, 1872, and the *Tribune* of April 19 and June 19, 1872, and February 28, 1873. Drew's manipulation of the stock is revealed in a suit brought against him by Stephen H. Alden, a Wall Street operator, reported in the *Tribune* of November 15, 1873.

For the Canton Company of Baltimore, see the company's own history, *Canton Days: The First Hundred Years or So* (Baltimore: Canton Company of Baltimore, 1928); the annual reports of 1872-75; *ARJ*, 1870-73; and the *Baltimore Sun* of March 14 and 15, and June 21 and 22, 1872. Drew's duping of Biedermann & Company is asserted in Biedermann's suit against Drew and the sellers, reported in the *Tribune* of November 24, 1873.

Information on the Canada Southern and connecting lines is found in the board minutes and the documents book of the Canada Southern Railway Company, now in the custody of the Consolidated Rail Corporation (Conrail). See also Poor's *Manual of the Railroads* and *ARJ* for 1871-76 (both are indexed). A critical view of the whole enterprise is found in the *Daily Graphic* of May 10, 1875, quoted from the *Pall Mall Gazette* of London. See also the Wabash annual reports for 1872 and 1873, and the Canada Southern report of June 1873. Details of the Wabash pool were revealed in Azariah Boody's suit against Drew, reported most fully in the *Tribune* and *World* of November 13, 1874, and the *World* of January 6, 1875. The fight for control of the Wabash is mentioned in the *Herald* of July 22 and October 3, 1872; Drew's scheme to consolidate five railroads, in the *Tribune* of August 5, 1872.

For the Panic of 1873, see especially Robert Sobel, *Panic on Wall Street*, chap. 5, and Edward C. Stedman, *The New York Stock Exchange*, chap. 19. The failure of Kenyon Cox & Company is reported in the *Herald*, *Times*, *Tribune*,

World, *Evening Mail*, *Journal of Commerce*, and *Commercial Advertiser* of September 1873; other details are provided by Drew's testimony of June 20, 1876, before the examiner in bankruptcy, included in his bankruptcy file at the Federal Archives and Records Center at Bayonne, N.J.

Information on Drew's assignment of his securities to his son is contained in the file of *Isaac H. Bailey, assignee, v. William H. Drew*, an 1891 lawsuit to recover assets for Drew's creditors from his son; the records are on file at the Hall of Records, New York City.

William L. Scott's suit to force Drew into bankruptcy was reported in the New York City papers of October 14-18, 1873; the file of the case is at the Federal Archives at Bayonne, N.J. The case's settlement is reported in detail in the *Tribune* and *Sun* of November 17, and *PCC* of November 22, 1873; more information is found in Drew's bankruptcy file.

The Alden and Biedermann suits against Drew are reported in the *Tribune* of November 15 and 24, 1873.

CHAPTER 21. *The Last Great Caper*

Drew's illnesses, real and rumored, are mentioned in the *Times* of December 28, 1873; *PCC* of January 3, 1874; and the *Times* and *Tribune* of February 28, 1874.

Drew's operations in gold are reported in all the New York dailies of March and early April 1875, although he is rarely mentioned by name. More information is provided by Eugene N. Robinson's testimony of July 17 and 19 and September 1, 1876, before the examiner in bankruptcy, included in Drew's bankruptcy file. For Russell Sage, see *DAB* and Grodinsky, *Jay Gould*, chap. 7.

The chief source for Drew's final stock market losses in the spring of 1875 is his own somewhat erratic testimony of June 20, 1876, before the examiner in bankruptcy, supplemented by Robinson's testimony; there is little specific confirmation in the newspapers. One of Drew's puts in Wabash occasioned a lawsuit reported in the *Times* of September 28, 1875.

CHAPTER 22. *Bankruptcy*

Information on Drew's financial problems and bankruptcy comes primarily from his bankruptcy file, but also from the New York City dailies of the time.

For William H. Drew and the People's Line, see *BS* of March 5, 1875, and September 10, 1909, and the *Times* of March 12, 1875. Hancox's opposition is recounted in the Murdock Collection article on the *J.B. Schuyler*. St. John's suicide is reported in the *Herald* and *Times* of April 24, 1875.

Roxanna Drew's will is filed in New York City. Interviews with Drew at the time of his bankruptcy appear in the *Times* of March 13 and the *Sun* of March 14, 1876, and the *Tribune* of September 19, 1879.

For Drew and John Parker, see Parker's address at Drew's funeral in *CA*, October 2, 1879, and Parker's obituary in *CA*, September 28, 1911.

The granddaughters' actions to foreclose on Drew's residence and remove him as trustee are filed in the New York City Hall of Records as *Georgianna Everett, etc. v. Daniel Drew, etc.* and *Louise R. Edey, etc. v. Daniel Drew, etc.*; they were also reported in the newspapers. Drew's flight from the city is recounted in the *Sun*, *Herald*, and *BS* of June 9, 1876.

CHAPTER 23. *The Oldest Man on the Street*

The Drew interview appeared in *BS* of September 1, 1876. *White v. Drew* was reported in the *Brooklyn Eagle* of November 17, the *Sun* of November 22, and the *Herald* of November 22 and 23, 1876.

For Vanderbilt's death, see Lane, *Commodore Vanderbilt*, chap. 15; Edwin

P. Hoyt, *Commodore Vanderbilt*, chap. 11; Charles F. Deems's *Autobiography*, chaps. 10 and 11; and the newspapers of the time.

Drew's later relations with Drew Theological Seminary are recorded in the seminary board minutes, *CA*, and the *Methodist*. Other information on his last years comes from *PCC* and *BS*, passim, and from *CA* of September 25 and October 2, 1879. His court appearances are reported in the *Herald* of February 5 and the *Sun* and *World* of March 9, 1878.

For William H. Drew and the People's Line, see *PCC* of November 30, 1878, and March 3 and 29, 1879; and the *Times* of March 13, 1879.

The circumstances of Drew's death and funeral are related in the New York dailies of September 19, 20, and 24; *BS* of September 19 and 26; *PCC* of September 27; and *CA* of October 2, 1879.

Epilogue

Daniel Drew's will is on file at the Putnam County Surrogate's Court in Carmel, New York. The suits by Isaac H. Bailey against William H. Drew and Daniel D. Chamberlain are on file at the New York City Hall of Records.

For the story of people digging to find Drew's buried treasure, I am indebted to Daniel Drew's great-great-grandson, Drew Illingworth Pearsall.

Appendix

As elsewhere, all citations from the *Book of Daniel Drew* are from the American Research Council edition of 1965, which reproduces the April 1910 edition's three-page editor's note and its main text of forty chapters on 423 pages, ending with the interrupted verse of a hymn. Certain other editions omit the editor's note and end with the complete stanza of the hymn.

White has been the subject of two masters dissertations, to both of which the author is indebted: Hugh Donald Rank, "Bouck White: A Survey of His Life and Writings," Notre Dame 1956; and Mary Elizabeth Kenton, "Soul on the Open Road: Bouck White: The Life of an American Social Agitator," Wright State University 1978. Both Rank and Kenton brand the *Book of Daniel Drew* a fake. See also F.E. Schultz, "Bouck White, Hermit of the Helderbergs," *York State Tradition*, 17, no. 2 (Spring 1963), pp. 9-13; and the obituary in the *Times* of January 9, 1951.

The controversy between Bouck White and William H. Drew is reported in the *World* of April 25, 26, 29, and 30; the *Tribune* and *Herald* of April 29; and the *Brooklyn Daily Eagle* of April 25-29 and May 7, 1910.

Irvin G. Wyllie's information about the *Book of Daniel Drew* is cited in the Kenton dissertation, p. x. There is a file on the actress Margaret Drew in the Robinson Locke Collection of Dramatic Scrapbooks, series 2, at the Lincoln Center branch of the New York Public Library.

The RKO movie based on the *Book of Daniel Drew* was entitled "The Toast of New York" (1937). The German translation is *Daniel Drew: Aus dem Tagebuch eines amerikanischen Börsenmannes* (Berlin: Verlag Dr. Von Arnim, 1943).

Not all the readers of White's book have been fooled by it. Typed on the flyleaf in a donated copy of an edition published without the editor's note by George H. Doran, which the author found in the New York Public Library, is the following comment: "The author of this book, pretending to write the autobiography of Daniel Drew, has unwarrantably made Daniel Drew a partisan against himself. . . . The author has dragged a dead man from his grave and thrust the pen in his defenceless hand—an inexcusable and grewsome thing to do. Daniel Drew—no matter what kind of man he was—would have written a very different book from this. G.H.B."

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Index

- Adams, Charles Francis, 153, 173, 191, 196, 205
Adirondack Co., 135–36
Albany, N.Y.: steamboat navigation to, 39; steamboat men from, in People's Line, 48, 52–56; joined to New York by Hudson River Railroad, 70–72; citizens oppose Athens line, 140–41. *See also* New York legislature; People's Line; steamboats
Albany, 33
Alden, Stephen H., 238
Alida, 285
Armenia, 93
Armstrong, William, 62
Ashley, Ossian D., 158
Astor, Henry, 20–22, 28, 30
Astor, John Jacob, 20, 63
Athens, N.Y., 137–41, 290 n. 12.8
Atlantic and Pacific Railroad, 249

Bailey, Hackaliah, 14, 33, 34, 37, 39
Bailey, Isaac H., 258, 274
Balcom, Ransom, 157
Baldy Sour Mining Co., 274
Barnard, George G.: grants injunctions against Erie, 153–57, 159; named as defendant by Erie, 159–60, 162–63; orders Erie board arrested, 164; presides over Erie litigation, 168–69, 173, 183–84, 191, 195, 196, 206–7; has Gould arrested, 179, 180; tries to arrest Fisk, 190; Erie locomotive named for, 208; presides over Erie's suit against Vanderbilt, 215; impeached, 239
Barrett (judge), 180, 181
Baylis, A. B., 250
Beach, Moses Yale, 62
Beecher, Henry Ward, 207
Belden, William, 147, 159, 168, 184
Belle, 48
Bellona, 33
Belmont, August, 202–3, 204, 205, 206, 208, 215, 219
Bennett, James Gordon, 44, 84
Berdell, Robert H., 112, 128, 129, 130, 144, 145, 146
Biedermann, Ernst, 226, 238
Biedermann of Co., 226, 232, 238
Bischoffsheim & Goldschmidt, 218, 219
Bleecker Street (New York City), 31, 63, 68
Bloodgood, John, 162
Boody, Azariah, 228, 230, 238, 252
Book of Daniel Drew: published, 2, 279–80, 283; sources, 283–84; errors and distortions, 284–85; movie of, 285, 307; German edition, 285, 307; convincing rustic speech in, 285. *See also* White, Bouck
Boorman, James, 70–71, 74
Boston, Mass., 65–67, 70

- Boston and Providence Railroad, 65-67
 Boston, Hartford and Erie (B, H & E) Railroad, 144-46, 150, 174, 193, 194, 195-96. *See also* Eldridge, John S.
 Boyd, Vincent & Co., 237, 249-50
 Brewster, N.Y., 122, 134, 254, 263, 265; origin, 78; Methodist church built at, 120, Drew patronizes barbershop, 135, 263, 271-72; newspaper interviews Drew, 263-64; Drew's funeral at, 273
 Buffalo and State Line Railroad, 87
 Buffalo, Bradford and Pittsburgh Railroad, 136-37, 154, 156
 Bull's Head Tavern (Bowery), 16, 19-20
 Bull's Head Tavern (Third Avenue and Twenty-fourth Street), 20, 21, 22, 24-27, 31, 58, 288 n. 3-3.
 Burt, Alvin, 255, 260
 Buttz, Henry Anson, 281
- California, 67-68, 84, 90
 Camden & Amboy Railroad, 39, 40
 Canada Southern Railway, 226-30, 232-39, 241, 253
 Canton Co., 226, 232, 236, 237, 238, 241, 243, 249-50, 252, 253
 Cardozo, Albert, 162-63, 208
 Carmel, N.Y., township of, 134, 210, 237
 Carmel, N.Y., village of, 7, 10, 27, 268; Baptist church in, 6, 79; isolation of, 78, 149; Methodist church in, 79, 120, 122; theological seminary to be located at, 124, 149; Drew Female Seminary founded at, 134; railroad planned, 211; Collegiate Institute planned, 230; newspaper reports Drew's financial difficulties, 237, 238; becomes county seat, 287 n. 1.2
 Casement, John S., 228
 cattle trade. *See* drovers, cattle
 Central Pacific Railroad, 226, 229
 Chamberlain, Daniel Drew (grandson): born, 31; half owner of *North America*, 97; on Wall Street, 100; in Putnam County, 134-35, 211, 268; treasurer of Drew Theological Seminary, 148; sued by Drew's creditors, 274
 Chamberlain, Roswell Willcox, 31
Champion, 41
 Champlain Transportation Co., 76-77
 Chase, Salmon P., 105
 Chicago, Ill., 74, 111, 151, 178, 226-27
 Chicago and Canada Southern Railway, 227-28, 229, 237
 Chicago and Northwestern Railway, 220-24, 227, 241, 242, 245
 Chicago, Milwaukee and St. Paul Railroad, 242
 Chicago, Rock Island and Pacific Railroad, 217, 227
 Church of the Strangers (New York City), 213, 267
Cinderella, 35, 37
 circus: origins in U.S., 14; Drew works in, 14-15
Citizen, 41
 Citizens' Line, 252, 253
 Civil War, 96-101, 112
 Clapp, William S., 79, 134, 211-12, 259, 268, 275
 Clark, Horace F., 103, 181, 221, 224
 Clerke, Thomas W., 173
 Clews, Henry, 91, 117, 118, 119, 269, 283
 Clift, Lemuel, 8, 18, 27
 Clift farm: purchases of, by Drew, 18, 27; sold by Drew, 22; a stock farm, 78; bought by Daniel Drew Chamberlain, 134; sold to William H. Drew, 135; described, 263; Drew returns to, 271; later history, 274-75. *See also* Clift, Lemuel; Drewsclift
Columbia, 55
Commodore, 67, 97
 Concord Bible School (Concord Biblical Institute), 79, 273
Connecticut, 141
 Cooke, Jay, 229, 234
 Corning, Erastus, 103
 Courtright, Milton, 227, 228, 233, 234, 239
 Cox, Kenyon, 231, 232-33, 237, 238, 265
 Cozzens, Antoinette (granddaughter of Drew), 235
 Cozzens, Josephine (granddaughter of Drew), 212, 235
 Crédit Mobilier of America, 229
 Crooks, George R., 123-24, 148
 Cusick (New York tough), 169, 172
C. Vanderbilt, 48, 67
- Daniel Drew*, 93-95, 109
 David Groesbeck & Co., 100-101, 118, 127, 135, 147, 232
 Davis, J.C. Bancroft, 129, 155, 177, 196

- Davison, Charles, 33, 37
Dean Richmond, 108, 109, 140, 252
 Deems, Charles F., 213, 266
 Delmonico's (New York City), 99, 131, 165, 216, 245, 263
De Witt Clinton, 45-46
 Dickens, Charles, 38
 Dickerson & Co., 246
 Dillon, Sidney, 227, 228
 Diven, Alexander S., 129, 157, 158, 168, 174, 177, 196
 Dodge, William B. (Erie director), 82
 Dodge, William B. (steamboat captain), 55
 Doubleday, Frank N., 280
 Doubleday, Page & Co., 2, 279, 280-81, 283, 285
 Dows, David, 238, 251, 253
 Drew, Abigail Mead (sister-in-law), 18, 216
 Drew, Catharine (granddaughter), 240
 Drew, Catherine (daughter): birth, 18; marries, 31, 59, 63, 79, 134; widowed, 31, 78; in Drewville, 78-79; and Kelley's will, 212; owed money by Drew, 241, 252, 262; dies, 275
 Drew, Clara (daughter-in-law), 240
 Drew, Daniel: 1864-65 operations in Erie stock, 1, 112-16; attends seminary opening, 1-2, 149-50; birth, 5; childhood, 6-7, 287 n. 1.1; scant education, 7, 9, 120-21; religious conversion, 8-9, 15; in War of 1812, 9-12; as cattle drover, 12, 13-14, 15-20; works in circus, 14-15; lightning incident, 17; marries, 18; and Henry Astor, 20-22; as proprietor of Bull's Head, 22, 25-26; buys Clift farm, 27; and trans-Allegheny cattle drives, 28-30; as cattle speculator, 30-31; moves to Bleeker Street, 31; *Water Witch* war with Vanderbilt, 34-39; compared with Vanderbilt, 36, 153, 267; competes on New York-Albany run, 39-44; dominates Hudson River steamboating with Newton, 46-52; battles dissident People's Line stockholders, 52-55; recovers vessels, 55-56; enters Wall Street, 58-59; in Drew, Robinson & Co., 59-63, 68; rejoins Methodist church, 63-65; controls Stonington route to Boston, 65-67; moves to Drewville, 68; competes with Hudson River Railroad, 71-75; operates boats on Lake Champlain, 76-77; in Putnam County, 78; philanthropies, 79, 92, 120; raises cattle, 79-80; joins Erie board, 81-83; 1854 loan to Erie, 84-85; buys house on Union Square, 86; in Erie crisis of 1857, 86-91; in 1860, 92; steamboat operations in 1860s, 93-94, 108-10, 111, 133-34; hosts Prince of Wales, 94-96; a tepid patriot, 96; speculates in gold, 98-99; described, 100; a bear in Civil War, 100-101; cornered by Vanderbilt in Harlem stock, 101-7; involved in Erie Railway, 110-12; stories about, 117-19; "unscrupulous, within the law," 119; piety, 121-22; founds Drew Theological Seminary, 122-24; loves excitement of Wall Street, 125, 216-17; cornered by Keep in Old Southern, 125-27; 1866 operations in Erie stock, 127-32; honored, 134; family, 134-35, 211-12; and Adirondack Co., 135-36; and Buffalo, Bradford and Pittsburgh Railroad, 136-37; conflict with Vanderbilt over Saratoga and Hudson River Railroad, 137-42; and 1867 Erie election, 144-46; president of seminary board, 148-49; works against Vanderbilt in Erie, 150-51; Wall Street battle with Vanderbilt, 152-64; flight to Jersey City, 164-68; alleged attempts to kidnap, 169-73; settles with Fisk and Gould, 174; approached by Mattoon, 177; assailed by Greeley, 182-83; secret negotiations with Vanderbilt, 184-85, 188-89; attempts to deliver Erie treasury to Vanderbilt, 189; at odds with other Erie directors, 189-90; returns to New York, 190-91; negotiations with Vanderbilt, 191-94; resigns from Erie board, 194-95; deeds land to seminary, 197; sells Lake Erie steamboats, 198-99; in greenback lockup, 199-201; cornered by Fisk and Gould in Erie, 201-7; in Erie litigation, 208, 215; denounced as hypocrite, 208-9; relations with Methodists, 210; sued by granddaughters, 212; friendship with Vanderbilts, 213; relations with Fisk and Gould, 213-15, 217-18; golden wedding, 215-16; returns to Wall Street, 216-17; trades in Rock

- Island stock, 217; speculates in Erie again, 218-19; at Long Branch, 219; corners Gould and Smith in Erie, 219-20; cornered by Gould in North-western, 220-23; operates in Quick-silver stock, 225-26; operates in Can-ton stock, 226; interest in Canada Southern Railway, 226-30; ill health, 230-31, 240; compromised by Ken-yon Cox failure, 232-35; mortgages home, 235; transfers property, 236-37; signs agreement with creditors, 237-38; litigation, 238; out of Canada Southern, 239; returns to Wall Street, 241; lockup of gold, 242-45; absence upsets Wall Street, 245-48; wiped out on Wall Street, 248-50; struggles to avoid bankruptcy, 251-52, 253-54; declares bankruptcy, 255-56; comforted by Parker, 257-58; bankruptcy proceedings, 258-60, 261, 264; flees to Putnam County, 260-61; remorse, 261-62; Union Square house sold, 262; interviewed, 263-64; legend of hidden wealth, 264-65, 275; litigation, 265-66; mourns Vanderbilt, 266-67; honored by seminary, 267-68; family in Put-nam County, 268; returns to New York City, 268-69; piety, 269-70; on Wall Street, 271; revisits seminary, 271; death and funeral, 272-73; will, 274; posthumous litigation, 274; later life of family, 275; appraisal, 275-76
- Drew, Daniel (grandson), 240
- Drew, Gilbert (father), 5-7, 9
- Drew, Hannah (half-sister), 6, 9, 18
- Drew, Josephine (daughter), 31, 273
- Drew, Margaret (alleged grandniece), 281, 283, 307
- Drew, Roxanna Mead (wife): marries Drew, 18; at Bull's Head Tavern, 26; on Bleecker Street, 31, 63; joins Methodist church, 64; bears son, 64; Mead Hall named for, 190; relation-ship with Drew, 211; golden wed-ding, 215-16; at Long Branch, 219; suffers stroke, 231; balks at signing mortgages, 238; president of Mc-Clintock Association, 240-41; death and funeral, 254; house deeded to, 255
- Drew, Thomas (brother): childhood, 5, 6, 7, 9; in War of 1812, 10, 11, 12; marries, 18; in Drewville, 78, 79; a banker, 134; golden wedding, 216; dies, 231
- Drew, William H. (son): denounces *Book of Daniel Drew*, 2, 22, 118, 280-81; born, 64; named for Vander-bilt's son, 66; at Drewville Institute, 79; and Prince of Wales, 95; marries, 96; confirms "doare" story, 120; as farmer, 134, 198, 211; buys Clift farm, 135; associated with Drew Theological Seminary, 148, 190, 210; at Long Branch, 219; Drew transfers property to, 236-37; children, 240; tries to keep father out of bankruptcy, 251-52; supervises People's Line, 252; prepares father's flight to Put-nam County, 261; on Clift farm, 263; as president of People's Line, 267, 270; enters Wall Street, 271; sued by father's creditors, 274; later life, 274
- Drew*, 133-34, 140, 141, 214, 285
- Drew Cemetery (Clift Cemetery), 3, 231, 254, 273, 275, 280
- Drew Female Seminary, 134, 273
- Drew, Robinson & Co., 59-63, 68, 76
- Drewsclift, 27, 274, 287-88 n. 3.1. *See also* Clift farm
- Drew Theological Seminary: opening of, 1-2, 149-50; founding of, 122-24, 148-49; embarrassed by *Book of Daniel Drew*, 2, 281; board meetings, 190, 210, 230, 240; Drew deeds land to, 197; effect on, of Drew's failure, 254, 255, 259; honors Drew, 267-68; revisited by Drew, 271; representa-tives at Drew's funeral, 273
- Drew University, 3, 275. *See also* Drew Theological Seminary
- Drewville, N.Y., 121, 122; Gilbert Drew buys farm at, 7; Drew and fam-ily associated with, 68, 78-79, 96, 134-35, 216, 268, 275
- Dreyfus, Max, 274
- Dreyfus, Victoria, 274-75
- drovers, cattle, 13, 19, 25-27, 28, 30, 58-59
- Durant, Thomas C., 135
- Dutchess County, N.Y., 5, 15, 16, 287 n. 1.2
- Edey, Louise (granddaughter of Drew), 212, 235
- E. D. Stanton & Co., 86, 90

- Eldridge, John S.: elected president of Erie, 145, 146; allied with Drew against Vanderbilt, 150; prepares coup against Vanderbilt, 154–55, 157, 159; flees to Jersey City, 164–65, 166, 171, 182; learns of Drew's betrayal, 185, 187, 188–89; returns to Boston, 191; favors compromise with Vanderbilt, 192–95; resigns, 195. *See also* Boston, Hartford and Erie (B, H & E) Railroad
- Elliott, Jim, 169, 172
- Emerald*, 42–43
- Empire*, 50, 55
- Erie and Niagara Railroad, 228
- Erie and Pittsburgh Railroad, 227
- Erie Canal, 32, 45
- Erie Railway: White's campaign to indemnify shareholders, 2, 281; organized, 110–11; runs steamboats on Lake Erie, 111; loans from Drew, 114, 127–29; board of, 129; controlled by Drew, 129–30; leases Buffalo, Bradford and Pittsburgh Railroad, 137; Vanderbilt seeks control of, 143–46; policies detrimental to Vanderbilt, 150–51; Wall Street battle for control of, 152–65; directors exiled in Jersey City, 166–78; fight for passage of Erie bill, 174–81, 186–87; involved in litigation, 184, 206, 208, 215; accident at Carr's Rock, 185–86; Drew tries to deliver treasury to Vanderbilt, 188–89; negotiations with Vanderbilt, 189–95; Gould and Fisk assume control, 195–96, 198; new stock issue, 200–201; offices established in Opera House, 214; Fisk and Gould ousted, 218; sues Gould, 220–21, 224; goes into receivership, 249. *See also* Drew, Daniel; New York and Erie Railroad
- Erie Railway Steamboat Co., 111, 198–99, 208
- Evans, William, 130
- Everett, Georgiana (granddaughter of Drew), 212, 235, 270
- Everett, William W., 100, 135, 270, 275
- Fancher, E. L., 254, 258
- Fenton, Reuben E., 187
- Field, David Dudley, 168–69, 177, 179, 190, 215
- Fifth Avenue Hotel (New York City), 131, 147, 151, 152, 233, 236
- Fisk, James, Jr.: arranges sale of Drew's steamboats, 110; early career on Wall Street, 146–47; in Erie's Wall Street battle with Vanderbilt, 155–56, 159, 161–63; flight to Jersey City, 164–75, 177, 182; revisits Manhattan, 184; foils Drew's attempt to deliver Erie treasury to Vanderbilt, 188–89; escapes arrest, 190; returns to Boston, 191; opposes Erie settlement with Vanderbilt, 192–94; assumes control of Erie with Gould, 195–96, 198; in greenback lockup, 199–202; corners Erie and gold with Gould, 202–7; in litigation, 208, 215; and Flash Age, 213–14; corners gold with Gould, 214; Mansfield scandal, 217–18; death and funeral, 218; estate, 239
- Fithian, Freeman J., 265
- Flash Age, 214, 239
- Flushing*, 35
- Fowler, Nathaniel R., 170, 172, 173
- Fowler, William Worthington, 118, 119, 160, 284
- Francis Skiddy*, 73, 83, 110
- Frost, J. Fowler, 261
- Fulton-Livingston monopoly, 32, 35, 39, 40
- Gaffney, Thomas, 170
- General Jackson*, 33–34, 36, 284
- Gibbons, Thomas, 35, 149
- Gibbons, William, 149
- Gilbert, J. W., 159–60, 173
- Glenn, Elijah M. K., 180
- Gold Room (Gold Exchange), 98, 202, 243, 244, 245, 246, 247
- Gould, Jay: early career, 147–48; in Erie's Wall Street battle with Vanderbilt, 155–56, 158–59, 161; flight to Jersey City, 165, 166, 168, 171–72, 174, 175, 176, 177–78; lobbies for Erie bill, 179–81, 186–87; opposes Erie settlement with Vanderbilt, 192–94; assumes control of Erie with Fisk, 195–96; in greenback lockup, 199–202; Erie and gold with Fisk, 202–7; in litigation, 208, 215; corners gold with Fisk, 214; ousted from Erie, 218; cornered by Drew in Erie, 219–20; quarrels with Smith, 220; corners Drew and Smith in North-

- western, 220-24; hated, 231; director of Union Pacific Railroad, 241; as bull in 1875, 242; as bear, 249-50; later life, 275
- Grant, Ulysses S., 201, 214, 219, 220, 236
- Greeley, Horace, 96, 182-83, 215
- Greene, Martin E., 157-58
- Gregory, Dudley S., 129
- Groesbeck, David: becomes Drew's broker, 100; intervenes in Drew's duping of Hancox, 118; acts for Drew in Old Southern corner, 126-27; in Erie's Wall Street battle with Vanderbilt, 155-58, 161, 163; helps settle Drew's losses in Northwestern, 223; retires, 232
- Hale, Matthew, 186
- Hancox, Clement, 252
- Hancox, Joseph W., 45-46, 97, 117-18, 141, 252-53, 271, 283
- Hannibal and St. Joseph Railroad, 228
- Harlem Railroad. *See* New York and Harlem Railroad
- Harriet Lane*, 94
- Harriman, John N., 269
- Haswell, Charles H., 117, 283-84
- Hendrik Hudson*, 50, 52, 55, 56, 75, 108
- Henry Clay*, 72, 73
- Holy Trinity Episcopal Church (Brooklyn, N.Y.), 279, 282
- Hone, Philip, 41-42
- Hudson River: and navigation, 5, 32; scenery, 10. *See also* Hudson River Railroad; People's Line; steamboats
- Hudson River Railroad, 69-75, 102, 139, 186, 215
- Hudson River Steamboat Association, 40-44, 45, 47, 283-84
- Hudson River Steamboat Co., 52, 54, 55
- Hurst, John Fletcher, 254, 259, 268
- International Bridge (Buffalo, N.Y.), 229, 230, 239
- Isaac Newton*, 50-51, 52, 55, 75, 108, 109
- Jackson, Andrew, 23-24, 41
- Janes, Edmund S., 148, 149, 254
- Jay Cooke & Co., 234
- J.B. Schuyler*, 252
- Jerome, Addison, 99, 103, 106, 119
- Jerome, Leonard, 99, 105, 106, 112-14, 119, 219
- Jersey City, N.J.: eastern terminus of Erie, 82, 111, 129; Erie directors' flight to, 164-68; kidnap alarms in, 2, 169-73, 188-89; fear of Vanderbilt rail monopoly, 174; Erie directors leave, 190-91. *See also* Taylor's Hotel
- John Mason*, 55
- June, Titus, Angevine & Crane Circus, 14-15
- Keep, Henry, 99, 119, 125-26, 140-41, 201, 222
- Kelley, Eli: allied with Drew in steamboating, 42, 43, 47, 53, 66, 83; receiver of People's Line Association, 54, 56; on Wall Street, 59; wealth cited, 62
- Kelley, Kathleen (granddaughter of Drew), 212
- Kelley, Robert Weeks, 59, 63, 65, 76, 78, 212, 284
- Kent, N.Y., township of, 5, 6, 7
- Kenyon Cox & Co., 232-37, 251, 253, 255
- Ketchum, Edward B., 114, 115, 116
- Knickerbocker*, 46, 66, 97
- Lake Shore and Michigan Southern Railroad, 226-27, 228, 230, 241, 249, 259
- Lane, Frederick A., 145, 146, 168, 196, 199, 202, 203, 205
- Lanier, J.F.D., 129
- Law, George, 48, 52, 55, 66
- Lawrence, Catherine. *See* Muckelworth, Catherine
- Lawrence, Darius, 271
- Lawrence, William, 65
- Lawrence Brothers & Co., 271
- Lincoln, Abraham, 96, 97, 99
- Linsly, Jared, 240, 259, 260, 264
- Little, Jacob, 61-62, 91, 100, 125
- Long Branch, N.J., 219, 231, 232, 272
- Long Dock (Jersey City), 111, 129, 165
- Lucke, Ernest B., 205, 208
- McClintock, John, 93, 96, 123-24, 148-49, 190, 216
- McClintock Association, 240-41
- McCulloch, Hugh, 201
- McIntosh, Charles, 206

- Madison, N.J., 1-2, 149, 150
 Madrey Farm, 274-75. *See also* Clift farm; Drewscliff
 Manhattan Club, 184, 187
 Mansfield, Helen Josephine, 171-72, 184, 186, 218
 Marsh, Nathaniel, 112, 137
 Marston, William H., 130-32
 Masterson, Hugh, 169, 170
 Mattoon, Abner C., 177, 180, 186
 Mead, Ralph, 129
 Mead Hall (Forest Hill Mansion), 149-50, 190, 275
 Medbery, James K., 119
 Merchants' Line, 252
Merrimac, 97
 Methodist Episcopal Church: circuit riders, 7; revivals, 8, 15, 63-64; encroaching sophistication and wealth, 64-65; Drew's gifts to, 65, 79, 92, 120; 1866 centenary, 123-24; reservations about Drew's Wall Street career, 210. *See also* Drew Theological Seminary; Mulberry Street Methodist Church; St. Paul's Methodist Episcopal Church
 Michigan Central Railroad, 74
 Michigan Midland and Canada Railroad, 228
 Michigan Southern and Northern Indiana Railroad, 151
 Monteath, George, 53-56
 Montreal: rail-and-water link to New York, 76-77
 Moran, Charles, 88-90, 110
 Morse, Anthony W., 99
 Morse, Charles Wyman, 275
 Muckelworth, Catherine (Lawrence) (mother of Drew): marries Gilbert Drew, 5, 6; early life, 6; influence on Drew, 8, 9, 17, 122; practical, 12; dies, 64
 Mulberry Street Methodist Church (New York City), 63-65, 92, 121

Napoleon, 45-46
 Newburgh, N.Y., 83
 New Haven Railroad (New York and New Haven Railroad), 77, 83
New Jersey, 55
 New Jersey legislature, 74, 175-76
 New Jersey Steamboat Co., 74-75, 93, 241, 270, 275. *See also* People's Line (Drew's)
 New Jersey Steam Navigation Co., 65-67, 109-10
 Newton, Isaac: early career, 45; rams Hancox's *Napoleon*, 45-46; Drew's partner in People's Line, 46-49; builds palace steamboats, 49-52, 74, 75; fights dissident People's Line stockholders, 52-56; a Baptist, 65; competes with Hudson River Railroad, 71-75; president of New Jersey Steamboat Co., 74; dies, 93; death misrepresented by White, 284
New World, 51, 54, 73, 75, 95, 108
 New York and Boston Railroad, 211
 New York and Erie Railroad: early history, 81-82; Drew joins board, 82-83; rescued by Vanderbilt and Drew, 84-85; crisis of 1857, 86-91; reorganized as Erie Railway, 110-11. *See also* Erie Railway
 New York and Harlem Railroad: reaches Southeast, 68, 78; route of, 70; fraud by secretary, 83; Drew and Vanderbilt join board, 87; First Harlem Corner, 101-2; Second Harlem Corner, 102-7, 138; acquired by Vanderbilt, 139; courts state legislators, 186
 New York Central Railroad: alliance with People's Line, 73-74, 87, 139; and Saratoga and Hudson River Railroad, 137, 139, 140; war with Vanderbilt, 140; acquired by Vanderbilt, 141; relations with Erie Railway, 143-44, 150-51; merger with Erie banned, 186-87; reaches Chicago, 226-27
 New York City: in 1814, 10-11; growth, 24; and steamboat navigation, 32-33; receives Prince of Wales, 94; in Civil War, 96-97; fear of Vanderbilt monopoly, 174. *See also* drovers, cattle; steamboats; Wall street
 New York state legislature: debates Broadway railroad bill, 102-4; grants Drew's seminary a charter, 124; authorizes more Erie bonds and stock, 128; investigates Vanderbilt's fight with New York Central, 140, 141; and Erie bill, 174-76, 177, 186-87; corruption in, 176; lobbied by Gould and Vanderbilt, 179-81. *See also* Pierce Committee
 New York, Providence and Boston Railroad, 65-67

- New York Stock Exchange: in 1840s, 60, 61, 63; moves to Broad Street, 125; enjoined by Drew, 126; during Erie war, 160-62; reacts to Gould's Erie stock issue, 200-201, 208; North-western corner, 220; convulsed by Cooke's failure, 234-35; in 1873 panic, 236, 237. *See also* Wall Street
- Nimrod*, 41
- North, Charles C., 124
- North America*, 46, 55, 97
- Northern Pacific Railroad, 229
- Northwestern. *See* Chicago and North-western Railway
- Norvell, Caleb C., 175
- O'Brien, James, 177, 180
- Oliver, James A., 180-81
- Oregon*, 48, 52, 55, 66, 67, 75
- Osborn & Chapin, 221, 222
- Osgood, George A., 169, 189
- Otis, Horatio, 158, 159, 162, 174
- Pacific Mail Steamship Co., 241-42, 243
- Panic of 1819, 17
- Panic of 1837, 58, 60, 61, 226
- Panic of 1857, 88-91, 123, 147
- Panic of 1873, 2, 231-39
- Parker, John: friendship with Drew, 64, 121, 122-23, 125, 216, 257-58, 269-70; speaks at Drew's funeral, 273
- Peck (steamboat captain), 109
- Peck, Curtis, 35
- Peck, Elijah, 56, 65, 67
- Peekskill, N.Y., 10, 27, 33-39, 41, 71
- Pelletreau, William, 21-22, 284
- People's Line (Drew's): competes with Hudson River Steamboat Association, 43-44; dominates Hudson in 1840s, 46-49; "floating palaces," 49-52, 108, 133-34; stockholder dissension, 52-55; sale of property, 55-56; competes with Hudson River Railroad, 71-75; connections to Chicago, 74; incorporated as New Jersey Steamboat Co., 74-75; resumes day service on Hudson, 93-94; Drew's management of, 108-10; runs boats to Athens, 137-41; Vanderbilt terminates agreement with, 175; control passes to Drew's granddaughters, 241; competition with Hancox, 252-53; son succeeds Drew as president, 267; Everett be-comes president, 270; later history, 275
- People's Line (Vanderbilt's), 41
- People's Line Association, 47-56. *See also* People's Line (Drew's)
- Pierce Committee, 162, 174, 176, 177, 180
- Pierrepoint, Edwards, 193, 194, 202, 284
- Poor, Henry V., 72, 85
- Port Elizabeth, N.J., 275
- Port Jervis, N.Y., 134, 185
- Poughkeepsie, N.Y., 69, 70, 71
- Prince of Wales (later Edward VII), 94-96
- Providence, R.I., 65-67
- Putnam County, N.Y.: and cattle business, 13, 15-16, 79-80; and early circus, 14; Drew's ties to, 27, 78-80, 134, 268; residents support *Water Witch*, 34, 36; Harlem Railroad reaches, 68, 78; county fairs, 80, 198, 211; Drew's family in, 134-35, 268; organized, 287 n. 1.2. *See also* Brewster, N.Y.; Carmel, N.Y., township of; Carmel, N.Y., village of; Drewville, N.Y.; Kent, N.Y., township of; South-east, N.Y., township of
- Quicksilver Mining Co., 225-26, 236, 237, 238, 240, 241, 243, 249-50
- Ramsdell, Homer, 85, 87-88
- Raymond, James, 42
- Raymond Collegiate Institute, 79
- Richardson, William A., 236
- Riddle, Hugh, 158, 185
- Robinson, Eugene N., 226, 242-49, 256, 264
- Robinson, Nelson: early years, 59; partnership with Drew, 60-62, 66, 68; a Baptist, 65; on Hudson River Railroad board, 74; on Champlain Transportation Co. board, 76; trustee of Raymond Collegiate Institute, 79; treasurer and director of Erie, 82-83; illness and death, 85-86
- Robinson, Chase & Co., 243, 244, 246, 247, 248
- Rochester*, 43, 44, 46, 55
- Rock Island. *See* Chicago, Rock Island and Pacific Railroad
- Rockland County, N.Y., 36
- Roe (steamboat captain), 109

- Rutland and Burlington Railroad, 77
 Ryan, Patrick, 274
- Sage, Russell, 242-44
- St. John, Alanson P., 40, 41, 42, 47, 93, 108, 253
- St. John, Edward B., 58-59
- St. John, 108, 109, 165, 253
- St. John & Drew, 58-59
- St. Joseph and Denver City Railroad, 228
- St. Nicholas Hotel (New York City), 78, 112
- St. Paul's Methodist Episcopal Church (New York City), 92, 124, 129, 216, 256, 259, 270, 272, 273
- Saratoga and Hudson River Railroad, 137-42, 290 n. 12.8
- Saratoga and Washington Railroad, 76
- Saratoga Springs, N.Y., 116, 136, 138, 197, 219
- Schell, Augustus, 221, 223, 224, 235
- Schell, Richard: in Erie pool with Drew, 150-51; suit against Erie, 159, 173; and Vanderbilt, 160, 161-62, 163-64; in Erie negotiations and settlement, 193, 194, 195; cornered by Fisk and Gould in Erie, 202-3; sued by Erie, 208; in Northwestern corner, 223; fails, 234-35
- Schenectady and Saratoga Railroad, 138
- Schuyler, Robert, 83
- Scott, William L., 227, 237-38, 239, 251, 253, 255
- Scott, Capron & Co., 126-27
- Skidmore, William B., 168, 196
- "smartness," 38-39
- Smith, Henry N., 219, 220, 221, 223, 224
- Smith, James, 38
- Smith, Gould, Martin & Co., 221, 224
- South America*, 46, 55
- Southeast, N.Y., township of, 7, 68, 78, 79, 120, 134
- Stanton, Edmund D., 87, 100
- steamboats: early development of, 32-33; *Water Witch* war, 33-39; competition on Hudson, in 1830s, 39-44; rivalry on Hudson in 1840s, 45-48; evolution in design, 46, 75; racing, 48-49, 72-73; "floating palaces," 49-52, 108, 133-34; on Long Island Sound in 1840s, 65-67; competition with Hudson River Railroad, 69-75; on Lake Champlain, 76-77; in Civil War, 97; on Hudson River in 1860s, 93-94, 108, 133-34, 137-41; on Long Island Sound in 1860s, 109-10; last old-time competition on Hudson River, 252-53; measurements, 288 n. 5.1. *See also* Erie Railway Steamboat Co.; New Jersey Steamboat Co.; People's Line (Drew's)
- Stern, Simon H., 260, 261, 264
- Stetson, Charles A., 94
- Stevens, James, 39
- Stevens, John, 39
- Stevens, Robert L., 39-40
- Stevens family, 36, 39-40, 47
- Stewart, A.T., 226
- Stokes, Ned, 218
- Stonington, Conn., 65-67
- Stonington line, 65-67
- Stout, Andrew V., 259
- Strong, George Templeton, 73, 89
- Sutherland, Josiah, 205, 208
- Swallow*, 43, 48
- S. W. Boocock & Co., 249
- Sweeny, Peter B., 195, 198
- Sweetwater Mining Co., 274
- Taylor's Hotel (Jersey City), 2, 164-65, 166-73, 175, 178, 185, 191, 283
- Thompson, Henry, 146, 155, 165, 166, 181, 192, 196, 202, 203
- Thomson, William A., 227
- Tilden, Samuel J., 264
- Tobin, John M., 104-5, 106, 112-14
- Toledo, Canada Southern and Detroit Railway, 228, 237
- Toledo, Wabash and Western Railway: Drew joins board, 220; desires connection with Canada Southern, 228; Drew forms pool in stock, 228; president sues Drew, 230, 238, 252; stock declines in panic, 231, 232, 236, 238; Drew's 1875 speculations in, 241, 245-49
- Tracy, John F., 227
- Trollope, Frances, 23-24, 38
- Troy, N.Y.: steamboat service to, 39, 40, 44, 47, 72, 109, 252; citizens oppose Athens line, 140-41. *See also* Troy and New York Steamboat Association; Troy University
- Troy*, 55, 285
- Troy and New York Steamboat Association (Troy Line), 48, 55, 76, 77

- Troy University, 79, 273
 Tweed, William Marcy, 198, 206, 214, 217, 218, 239, 284
- Union*, 42
 Union and Titusville Railroad, 251
 Union Pacific Railroad, 135, 226, 227, 228, 229, 241, 242, 245
 Union Railroad, 226, 241
 Union Square, 86, 96, 262
Utica, 44
- Vanderbilt, Cornelius: early career, 35-36; *Water Witch* war with Drew, 35, 36-39; competes on New York-Albany run, 39-42; and People's Line Association, 47, 52; races Law's *Oregon*, 48; wealth cited, 62; operates Stonington line with Drew, 66-67; in 1850s, 84; 1854 loan to Erie Railroad, 84-85; in Civil War, 97; corners Harlem stock, 101-7; on Erie Railway board, 111, 112, 129; "unscrupulous, within the law," 119; invests in Saratoga and Hudson River Railroad, 138; acquires Harlem and Hudson lines, 138-39; conflict with Drew over Athens line, 139-41; acquires control of New York Central, 141; seeks control of Erie, 143-46; betrayed by Drew in Erie, 150-51; in 1860s, 152-53; Wall Street battle with Drew, 152-64; alleged attempts to kidnap Drew, 169-73; inspires fear of monopoly, 174; fights Erie, 175; negotiates with Drew, 185, 188-89; abandons fight against Erie bill, 186-87; negotiations with Erie, 189-91, 191-96; death of first wife, 197; litigation with Fisk and Gould, 208, 215; remarries, 213; honored by bronze statue, 215; denounces Gould, 224; interest in Canton Co., 226; acquires Lake Shore line, 226-27; advises Grant in 1873 panic, 236; in rate wars, 241; acquires Canada Southern Railway, 253; endows Vanderbilt University, 253-54; illness, 259-60; Drew's opinion of, 264; death and funeral, 266-67; will contested, 269
 Vanderbilt, Cornelius, Jr., 269
 Vanderbilt, Frank Crawford, 213, 254
 Vanderbilt, Jacob, 33, 36, 39, 284
 Vanderbilt, Sophia, 36, 197
 Vanderbilt, William H., 66, 135, 139, 269, 271
Vanderbilt, 97
 Vanderbilt University, 253-54
 Van Emburg, David, 252
 Van Santvoord, Abraham, 52, 54, 56
 Van Santvoord, Alfred, 52, 55
 Vibbard, Chauncey, 103
- Wabash. *See* Toledo, Wabash and Western Railway
 Wall Street: Drew's operations in Erie, 1, 111, 112-16, 127-32; origin of term "watered stock," 21-22; early history, 57-58; in Panic of 1837, 58; in 1840s, 60-63, 67-68; techniques and ploys, 61, 101; speculation in 1850s, 83-84, 85; Panic of 1857, 88-91; in Civil War, 97-101; First Harlem Corner, 101-2; Second Harlem Corner, 102-7; Keep's Old Southern corner, 125-27; Erie war of 1868, 152-64; greenback lockup of 1868, 199-202; Fisk and Gould corner Erie and gold, 202-7; Rock Island corner, 217; Erie speculations, 218-20; Gould's Northwestern corner, 220-24; Drew's Quicksilver operations, 225-26; Drew's Canton operations, 226; interest in rail connections to the West, 226-29; strained finances, 229; Panic of 1873, 231-39; stock rise and gold lockup of 1875, 241-49; reaction to Drew's bankruptcy, 256
 Ward, Marcus L., 175
 War of 1812, 9-12
Water Witch, 33-39, 40
 Watson, Peter H., 221, 223, 224
 Weed, Thurlow, 103
 Wells, William, 268
 Wesleyan University, 79, 120, 149, 255, 258-59, 268, 273
Westchester, 40-42
 Westchester and Putnam County Steamboat Co., 36, 38. *See also* *Water Witch*
 Westchester County, N.Y., 5, 6, 14, 16, 34, 36
 Western Union, 235, 241, 242
 White, Bouck: publishes *Book of Daniel Drew*, 2-3, 279-80; on Drew and bob calves, 14; stock-watering story, 21-22; attributes invented saying to Drew, 115; California Parker story,

- 118; "doare" story, 120–21; Marston story, 131; denounces Drew, 281; early life, 282; later career, 285–86; admits book a fake, 283. *See also* *Book of Daniel Drew*
- White, Stephen V., 217, 265
- Whitman, Charles S., 281–82
- Williams, Isaiah T., 256, 259, 260–61
- Woodward, William S., 217
- Work, Frank, 146, 150, 153–63, 193, 194, 195, 202–3, 208
- Wyllie, Irvin G., 283